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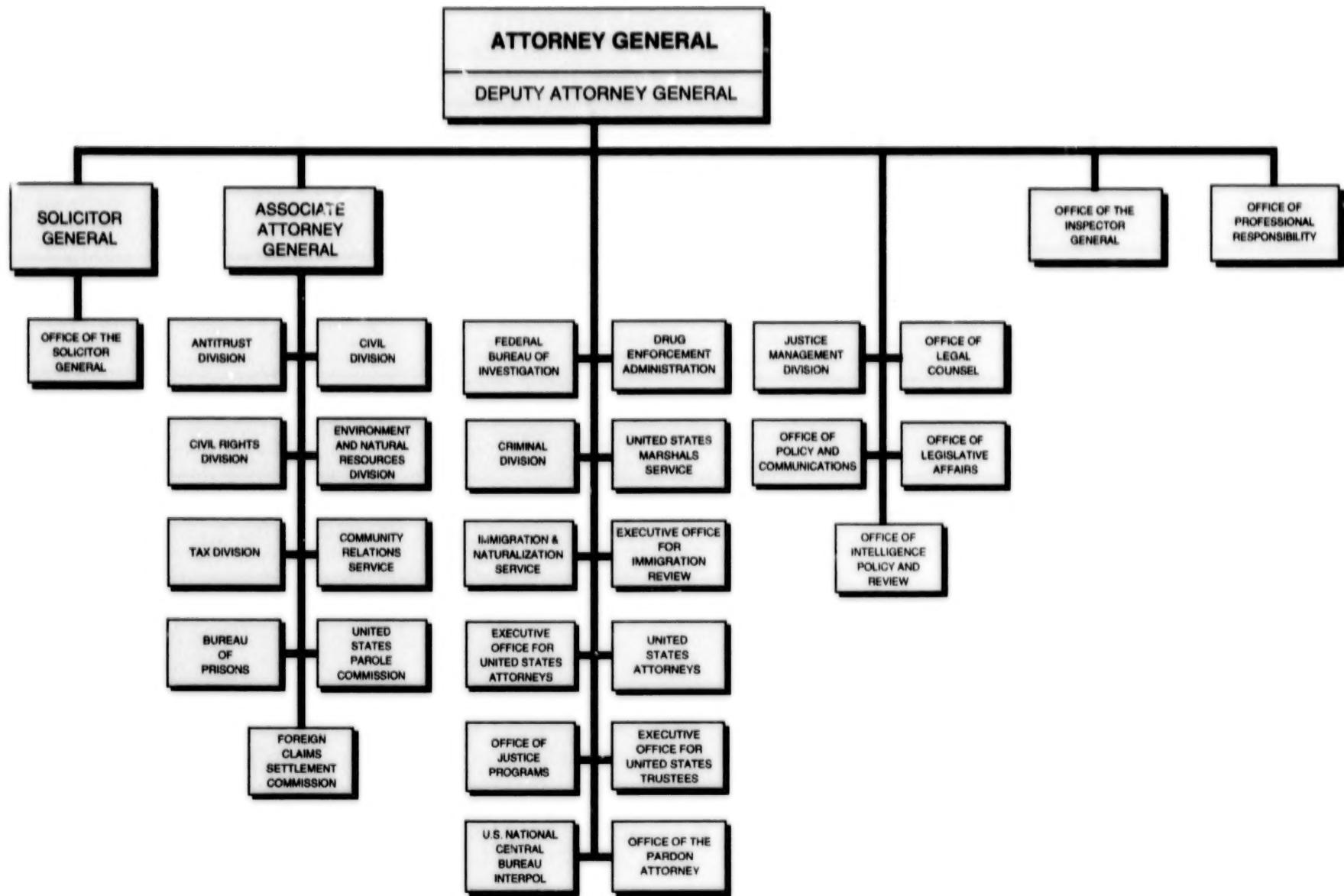
1992 Annual Report of The Attorney General of the United States



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U.S. DEPARTMENT OF JUSTICE



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Foreword

**To the Senate and the House of Representatives
of the United States of America in Congress Assembled:**

This Annual Report highlights the many varied activities of the Department of Justice during fiscal year 1992. During the year, the Department's dedicated employees worked hard to meet the expanding demands of enforcing federal laws and ensuring the equal administration of justice.

Priorities in 1992 included combatting the growing menace of violent gangs and violent crime, dismantling large-scale drug trafficking organizations, addressing the serious problem of fraud and white collar crime, and ferreting out discrimination under our civil rights laws. In addition, the Department faced new challenges in the areas of immigration and asylum and the expanding population in our nation's prisons.

Recognizing that law enforcement requires the cooperation from other agencies, the Department successfully expanded programs with a multi-agency strategy. Through the Department's committed employees, we continued to be creative in our approach for effective law enforcement, crime prevention, crime detection, and prosecution and rehabilitation of offenders.

I am particularly proud of the Department's hard working, dedicated staff who serve our nation in an effort to protect our citizens and ensure equal protection under the law.

Respectfully submitted,



*William P. Barr
Attorney General*

Chapter I: Attacking Violent Crime

The Department dramatically stepped up its efforts to combat violent crime in 1992.¹ Initiatives such as Operation Weed and Seed and Project Triggerlock were expanded with significant and effective outcomes. The Department also launched a major new initiative against street gangs.

In a joint effort with state and local law enforcement agencies, the Department developed the Violent Crime Report of 1992 containing 24 specific recommendations for states to reform and strengthen their criminal justice systems to be more effective in reducing violent crime. Some recommendations included:

- protecting the community from dangerous defendants
- establishing more effective deterrence and punishment for both juvenile and adult offenders
- implementing efficient trial, appeal, and collateral attack procedures
- respecting the victim in the criminal justice process

The report emphasized the need for strengthened coordination between Federal, state and local law enforcement agencies in identifying, targeting, and incarcerating chronic, violent offenders.

Operation Weed and Seed

Operation Weed and Seed is a comprehensive, multi-agency, community-based approach to combatting violent crime, drug use, and gang activity in high crime neighborhoods. The goal is to "weed out" crime from defined, targeted neighborhoods and then to "seed" the targeted neighborhoods with a wide range of crime and drug prevention programs, human service agency resources, and private sector investment. In

1992, the Department expanded the pilot phase of this program to 20 demonstration sites, including a \$19 million Weed and Seed operation designed to help resuscitate blighted and burned Los Angeles communities.

The United States Attorneys facilitate and coordinate implementation of Operation Weed and Seed. The Executive Office for Weed and Seed, in the Office of the Deputy Attorney General, functions as a clearinghouse and coordinates policy and national operational issues relating to Operation Weed and Seed. Interagency coordination on the Federal level is accomplished by an Interagency Council, whose members work to identify and target existing and new resources to Weed and Seed communities. The Interagency Weed and Seed Council is comprised of representatives from the Departments of Justice, Labor, Housing and Urban Development, Agriculture, Transportation, Health and Human Services, Education, and Treasury; the Office of National Drug Control Policy; the Small Business Administration, and others.

The Office of Justice Programs (OJP) and its Bureaus contributed significant funding and programmatic support to Operation Weed and Seed through its grant programs. In addition, the Bureau of Justice Assistance (BJA) entered into an interagency agreement with the Departments of Education and Housing and Urban Development to jointly establish "Safe Havens"—multi-service educational centers in high-crime neighborhoods in 20 Weed and Seed pilot demonstration projects throughout the Nation. Safe Haven is a primary "seeding" component to organize and deliver an array of educational and other youth and adult-oriented human services in an environment that is free from drugs and crime. Safe Haven programs operate before, during, and after-hours in neighborhood schools, community centers, or high-crime areas. The programs offer prevention, treatment, educational, recreational, cultural, and other activities for young

¹ This report covers Fiscal Year (FY) 1992, which began on October 1, 1991 and ended on September 30, 1992. All references to years indicate fiscal years unless otherwise noted.

people who are at high-risk of becoming involved in drug and alcohol abuse and delinquent activity.

OJP's National Institute of Justice (NIJ) is charged with evaluating the Weed and Seed program. NIJ will track the implementation process in all the participating jurisdictions and subsequently conduct an intensive assessment of the impact of the program in three to five of the demonstration sites.

Project Triggerlock

1992 marked the first full year of Project Triggerlock. The program emphasizes the use of Federal firearms statutes against violent repeat offenders whose criminal behavior has not been deterred by state or local prosecutions. Task forces were established in all 94 U.S. Attorneys' Offices to coordinate the efforts of Federal, state, and local law enforcement agencies to use Federal firearms laws to assure lengthy incarceration of armed criminals. Under the auspices of Project Triggerlock, 9,253 defendants were charged with Federal firearms violations from April 10, 1991 through September 30, 1992. The average sentence received by an armed career criminal under Project Triggerlock is 18 years without parole.

David Fleming Montgomery exemplifies the need for Project Triggerlock. Montgomery's 30-year criminal history includes the murder of his bank robbery partner whom Montgomery believed had revealed information about the robbery, two felony thefts, grand larceny, bank robbery, and escape. Montgomery was convicted in a Federal trial in Roanoke, Virginia, of obstruction of justice by killing his partner, using a firearm to commit a crime of violence, and being an armed career criminal; he was sentenced to life plus 35 years with no possibility of parole.

In an effort to boost the number of prosecutions under the stringent Project Triggerlock standards, the Attorney General directed the United States Marshals Service to conduct a special fugitive apprehension

operation in 1992. "Operation Gunsmoke" teamed Marshals Service fugitive investigators with dozens of state and local law enforcement officers nationwide to locate and apprehend the most dangerous and violent fugitives on the streets. The operation focused on every state in the country and targeted fugitives with violent criminal histories who were believed to be carrying firearms. Of the more than 3,300 fugitives arrested, all were considered a violent threat to the public, 224 were wanted for homicide and 365 were armed at the time of their arrest. Nearly \$2 million in illicit assets were seized during this operation.

Street Gangs

On January 9, 1992, the Attorney General announced an anti-gang initiative that significantly expanded Federal resources to combat gangs. Three hundred Federal Bureau of Investigation (FBI) agents were reassigned from counterintelligence work to assist state and local law enforcement efforts and to augment the 1,600 FBI agents already assigned to violent crime. By the end of 1992, 71 task forces of FBI, other Federal, state, and local law enforcement officers were operating in 45 cities to attack violent crime. Fifty new FBI agents have joined the anti-gang investigative teams in California as announced in the summer of 1992. Since their inception in January 1992, these task forces have effected the arrest of 10,777 felons.

The Immigration and Naturalization Service (INS) was also involved in anti-gang activity, and assigned 150 special agents in the spring of 1992 to special Violent Gang Task Forces in cities such as New York City, Los Angeles, Miami, Newark, and Chicago. The task forces focused on identifying, apprehending, and deporting aliens involved in crimes of violence. By the end of July, 25 major investigations had resulted in the arrest of 329 gang members, the seizure of more than \$600,000 in drugs, and the prosecution of 37 defendants.



Operation Gunsmoke investigators in New York made a lightning strike on a fictitious health and clothing store in Brooklyn, New York. U.S. Marshals arrested 18 people for selling illegal drugs and firearms. After searching the store, marshals seized 23 pounds of marijuana worth \$27,000, more than \$6,000 cash, and 11 guns including a loaded AK-47 assault rifle and 60 rounds of ammunition.

Source: United States Marshals Service

Both the Criminal Division and U.S. Attorneys' Offices were successful in prosecuting significant cases targeting gangs:

- Seven members of the Vietnamese Born To Kill gang were convicted of racketeering and related charges including three murders, an attempted murder and numerous armed robberies. David Thai, the leader of the Born To Kill gang in New York City, also was convicted of conspiracy to assault and murder in aid of racketeering, and sentenced to life in prison.

• Chen I. Chung and eight others were convicted on Racketeer Influence and Corrupt Organizations (RICO) charges for conducting the affairs of a violent Chinese gang called the "Green Dragons" through a pattern of crimes including murder, kidnapping, armed robbery, extortion, illegal gambling and bribery. Chung and six other defendants received multiple mandatory life sentences.

- In the Eastern District of Pennsylvania, three leaders of the Junior Black Mafia were convicted of Federal drug charges and agreed to return more

than \$12 million in drug profits. The indictment portrayed the organization as a violent group of men who carried semi-automatic weapons and wore bulletproof vests or body armor, using violence and murder to control their turf.

During 1992, the National Center for the Analysis of Violent Crime received more than 2,500 cases, including requests from Federal, state, and local law enforcement agencies for operational support, as well as those cases meeting the criteria for entry into the Violent Criminal Apprehension Program computer database. The Center, through its Special Operations and Research Unit, provided training in Crisis Management, Crisis Negotiation, and Special Weapons and Tactics (SWAT) to 1,406 FBI Agents and 3,421 other law enforcement personnel. In the area of negotiations, the staff of the FBI Academy had provided assistance in several domestic hostage/kidnapping situations as well as being deployed overseas on two separate kidnapping cases.

The FBI Laboratory's DRUGFIRE system is a forensic information clearinghouse that supports investigations of gangs and drug-related activities. The Laboratory's goal is to increase the solution rate of shooting cases by associating the firearms evidence in shooting incidents with each other and with firearms recovered in other investigations. The prototype system serves the Washington/Baltimore metropilitan area with six forensic laboratories. In two months, the prototype system produced outstanding results, associating eight shootings from different jurisdictions. Traditional firearms examination techniques would not have associated these shootings.

The Office of Justice Programs continued support of gang prevention and intervention programs in 1992. BJA expanded its successful Urban Street Gang Drug Trafficking Enforcement Demonstration Project to two additional sites in 1992, bringing the total to seven. The strategy includes confidential informers to identify hard-core gang members and drug traffickers; video-

taped street "buys"; and arrest sweeps involving local, state, and Federal law enforcement officials.

The NIJ focused significant research efforts on the problem of gang violence to provide criminal justice officials with practical information they can use to better address the problems gang members pose for the criminal justice community. Projects underway during 1992 included a national assessment of the nature and scope of gang activity; an assessment of law enforcement gang suppression strategies; and an examination of the impact of gang-related crime and gang members on the criminal justice system. Other NIJ projects are examining the problems of Asian gang violence in New York City, gang migration, and the involvement of street gangs in drug sales.

Organized Crime

The Department continued its aggressive attack against traditional organized crime groups in 1992. The attack on organized crime is also an essential part of the Department's overall fight against violent crime.

As a result of the Department's efforts, numerous La Cosa Nostra (LCN) families now lie in disarray while others have been weakened by Federal prosecutions. The Department's most significant LCN prosecution in 1992 was against John Gotti, boss of the Gambino LCN family and Gotti's co-defendant and consigliere, Frank Locascio. Gotti and Locascio were convicted of racketeering charges including murder, illegal gambling operations, loansharking and bribery, and obstruction of justice. Gotti was convicted of all 13 counts charged and Locascio was convicted of 12 counts and acquitted of one gambling charge. The defendants received sentences of life in prison without parole, crippling the management and influence of the Gambino Family.

Other important organized crime prosecutions in 1992 included:

- In a case prosecuted in the Western District of Missouri, the head of Kansas City's LCN organization, Anthony Thomas "Tony Ripe" Civella, 62, was sentenced to four years and six months in prison and fined \$7,500 for eight felony convictions related to a scheme which diverted at least \$2.5 million worth of prescription drugs. In addition to the financial loss to the drug manufacturers, the scheme posed serious health and safety risks to the public.
- Raymond J. Patriarca, boss of the Patriarca LCN family of New England, was sentenced to 97 months in prison, a \$50,000 fine, and payment of all incarceration and supervised release costs, after pleading guilty to racketeering charges including murder, kidnapping, narcotics trafficking, and obstruction of justice. Five other members of the Patriarca family pled guilty to similar charges and received sentences ranging from 13 to 22 years of imprisonment.
- Vittorio Amuso, boss of the Lucchese family, was convicted of 54 counts including conducting the affairs of the Lucchese LCN family through a pattern of racketeering activity that included labor payoffs and extortions involving the window-installation industry and Ironworkers Local 580, as well as nine murders, three attempted murders, and 11 murder conspiracies.
- Victor J. Orena, acting boss of the Colombo LCN family, and Pasquale Amato, a captain in the Colombo family, were indicted for the murder of former Colombo family soldier Thomas C. Ocera. Orena and Amato were charged with conspiring to murder and murdering Ocera to maintain and enhance their positions in the Colombo LCN family.

During 1992, the Tax Division, the U.S. Attorneys, the FBI and the Internal Revenue Service continued the

battle against criminals who have attempted to evade billions of dollars of motor fuel excise taxes. Evidence produced during recent prosecutions tied four of the five New York organized crime families (the Colombo, Lucchese, Genovese and Gambino families), and several important members of Russian organized crime to these tax violations. Over the last three years, 45 convictions involving motor fuel excise tax evasion were obtained, including, most recently, those of Joseph Galizia, a soldier in the Genovese family, and Marat Balagula, the reputed head of Russian organized crime in the New York metropolitan area. More than 100 major investigations are pending in more than 20 cities nationwide.

Assistance to Victims and Witnesses

Victim-Witness Coordinators in the United States Attorneys' offices play an important role in providing assistance to victims of Federal crimes and to the government's witnesses who come forward to testify. The Coordinators are able to help victims and witnesses find their way through an unfamiliar criminal justice system, get a referral to social services, fill out state compensation forms, or be notified about the progress of the case. As violent crime cases increase and are more frequently prosecuted at the Federal level, more victims and witnesses need assistance from the Coordinators. For example, the District of Arizona estimates that in 1988 there were 4,214 victims and witnesses seen in their office, while in 1991 there were 18,710.

In an effort to assist child victims, the District of Utah was among the first districts in the Nation to prosecute a child sexual abuse case using closed circuit television testimony by a child victim. A motion to allow the child to testify via closed circuit television

was granted because it was ruled that she was unable to testify in court due to her fear of the defendant and the substantial likelihood that she would suffer additional emotional trauma. The jury, judge, defendant, and spectators were able to see and hear the child clearly at all times on a monitor in the courtroom, and the defendant's face was visible on a monitor in the room the girl testified. The jury returned a guilty plea 30 minutes, and the judge indicated that the closed circuit procedure was very effective.

The Eastern District of Wisconsin was the first district in the country in which a videotape was used to present a victim impact statement. The video was used in an arson case involving a defendant convicted of burning down a restaurant owned by the victim and his family. In the video, the victim related how he and his family felt as they watched their restaurant burn and how they felt when they found out the fire had been started purposely. In addition, the video showed how the restaurant looked before the fire, during the fire, and after the fire.

Judicial and Witness Security

Providing protection to Federal judges, court officials, witnesses, and jurors is extremely important in violent crime cases. The U.S. Marshals Service ensures security, maintains decorum within the courtroom, and provides personal protection for judicial officers, witnesses, and jurors away from the court facilities when warranted.

In 1992, Deputy Marshals provided security at 234 sensitive or high threat trials. The Marshals Service responded to 242 threats made against members of the judicial family, and Deputy Marshals provided 24-hour personal security details to 37 judicial officers in response to specific threats. A total of 73 personal security details for United States Supreme Court Justices were established by the Marshals Service dur-

ing the year. Deputy Marshals also provided security for 140 Federal judicial conferences and committee meetings.

Because of the spiraling workload of the Federal judiciary, the construction and renovation of court facilities continued at a rapid pace. The Marshals Service, working with a security contractor, installed 276 security systems in new and renovated courthouses.

In an unusual case last year, the Marshals Service provided for the safety and security of participants in a trial involving the Acquasanto organized crime family. The trial, which originated in the Fifth Criminal Division of Law Court of Palermo, Italy, was transferred to the United States under the Mutual Legal Assistance Treaty (MLAT) that exists between the United States and Italy. The defendants allegedly were members of an organized crime family in Italy and were charged with drug trafficking. The escape risk in this case was rated as extremely high, as well as the threat of violence against the Italian judges and prosecutors. Due to the intense planning and coordination, the proceedings were carried out in a safe and secure environment.

Through a combined effort from the Marshals Service, Bureau of Prisons, and the Criminal Division, the Department also provides for the security, health, and safety of government witnesses and their immediate dependents whose lives are in danger as a result of their testimony against drug traffickers, organized crime members, terrorists, and other major criminal elements. During the year, 231 new principal witnesses entered the Witness Protection program, bringing to more than 13,500 the number of witnesses and family members for whom the Department provides protection and funding.

The District of Columbia's short-term witness protection pilot program, which began last year to protect witnesses who do not qualify for the long-term program, handled approximately 30 witnesses in 1992.

Chapter II: Counteracting Illegal Drug Activity

Drug enforcement remains a top Departmental priority. The Department's objectives are two-fold: to aggressively investigate and prosecute drug law violators; and to support efforts to reduce the demand for illegal drugs. Close cooperation among Federal, state and local law enforcement agencies is a key to meeting this goal.

Drug Enforcement Operations

Through the Organized Crime Drug Enforcement Task Forces (OCDETF), the Department continues to successfully identify, investigate and prosecute members of high-level drug trafficking organizations and to destroy their operations. The strength of the OCDETF Program is its ability to draw upon the diverse, specialized skills of the nine Federal participating agencies and their state and local counterparts. Prosecutors and law enforcement personnel at all levels are made a part of one cohesive team.

In 1992, OCDETF initiated more than 870 investigations, convicted more than 3,350 defendants, and seized more than \$270 million in cash and property. OCDETF's high level of coordination has led to ten years of success in immobilizing drug trafficking and money laundering organizations by incarcerating, extraditing, or deporting their members and causing forfeiture of assets.

Coordination is also the linchpin of the Drug Enforcement Administration's (DEA) State and Local Task Force Program. Now in its 22nd year of operation, the program has increased intelligence generated at state and local levels and increased return on investment in terms of assets seized by U.S. Marshals. There are currently 100 task forces, 76 funded and 24 provisional, an increase of seven from 1991.

The International Criminal Investigative Training Assistance Program (ICITAP) provides law enforcement training and technical assistance to democracies in Latin America and the Caribbean to enhance and strengthen investigative capabilities. Besides centralized activities in Washington, D.C., ICITAP has active offices in Panama, El Salvador and Colombia, and expects to soon open an office in Bolivia.

During 1992, ICITAP conducted 50 courses for more than 1,525 students from more than 20 foreign countries, resulting in 3,400 student-weeks of training. Also, ICITAP arranged forensic internships at crime laboratories in the United States, Puerto Rico, and Costa Rica for 31 forensic specialists.

Drug Enforcement Administration (DEA)

The first priority of the DEA is to significantly reduce the availability of cocaine in the United States. Consequently, in 1992 the DEA established and began implementing its Kingpin Strategy. The Kingpin Strategy is DEA's method to disrupt, dismantle, and destroy the major trafficking organizations responsible for the production, transportation and distribution of illegal drugs. It is designed to destroy the entire drug trafficking infrastructure and the organizations' ability to operate by targeting their vulnerabilities.

The first area of vulnerability is the means of production, including cocaine labs and access to precursor chemicals. In 1992, the DEA and Bolivian authorities dismantled the Danilo Cocaine Trafficking Organization. This mammoth enforcement effort, entitled Operation Ghost Zone, shut down the Chapare Valley, the heartland of the Bolivian cocaine trade. This operation also accounted for the destruction of more than 195 cocaine base and cocaine HCl laboratories, the seizure of 15 metric tons of cocaine products, the arrests of more than 30 traffickers and the capture of 14 aircraft.

A team of 12 DEA Special Agents also worked with the Peruvian National Police Anti-Drug Unit conducting air mobile interdiction efforts throughout the Upper Huallaga Valley (UHV). The team, involved in an effort known as Operation Snowcap, lived and worked with their counterpart police officers at the Forward Operating Base at Santa Lucia. This base, which is centrally located in the UHV, enabled DEA to target illicit drug processing laboratories anywhere in the valley. During 1992, more than 72 illicit cocaine processing laboratories were destroyed; approximately three metric tons of cocaine paste, base and cocaine HCl were seized; 57 arrests were made; and six aircraft were impounded. These raids have put significant pressure on the Simeon Vargas-Arias (El Ministro) Organization, a major cocaine base supplier to the Cali Cartel.

In addition, DEA and the State Department have engaged in on-going diplomatic initiatives with European chemical source countries to encourage them to take action to prevent chemical diversion. An important aspect of this was the Chemical Action Task Force (CATF), an international task force chaired by the United States. As recommended by the CATF, the membership of the United Nations' Commission on Narcotic Drugs voted during the spring of 1992 to add ten important precursor and essential chemicals to the list of prohibited chemicals approved by the 1988 Vienna Convention.

A second vulnerability of drug trafficking organizations targeted by DEA is means of transportation. In April 1992, DEA sponsored the Tenth Annual International Drug Enforcement Conference at which high-level law enforcement officials from 26 countries throughout the Western Hemisphere and observers from nine European and Asian countries assembled in Santa Cruz, Bolivia. The conference agenda focused on the control of general aviation and denial of its use to narcotics traffickers. The delegates approved 18 initiatives regarding the control of general aviation aircraft, pilots and airports as well as chemical control

measures and proposals for the increased exchange of information.

Operation Cadence was initiated in May 1991, in coordination with the Department of State, to disrupt the transshipment of cocaine through Central America. Cadence operations are centered in Guatemala, where teams of DEA Special Agents support host-nation law enforcement personnel in trafficker aircraft apprehension and road interdiction operations against illicit drug transportation organizations. Since its inception, Operation Cadence has been responsible for the seizure of more than 20.6 metric tons of cocaine, 67 arrests, and the seizure of 17 aircraft, seven vessels, and 10 vehicles.

DEA is also targeting drug-traffickers' means of communication and distribution. Title III wiretaps are DEA's most powerful investigative tool against traffickers. Tapping into their communications networks leads DEA to the command and control centers of the cartels, as well as to their major distribution cells and money laundering operations.

In an investigation of the Helmer "Pacho" Herrera organization, DEA intercepted more than 17,000 pertinent phone conversations from 100 phones over the course of an 18-month investigation. Between November and December 1991, more than 100 persons were arrested, including Herrera's brother and brother-in-law, as well as one of the key financial members of the organization in New York. Additionally, more than \$20 million in assets and 1.4 metric tons of cocaine were seized. One month later, in January 1992, an additional 1.3 metric tons of cocaine belonging to Herrera were seized in New York.

A series of enforcement actions in the United States between November 1991 and early 1992 presented the greatest problems for the Herrera organization. Two of the group's distribution cells were dismantled in New York City through the effective use of intercepts of Herrera's command and control communications originating in Cali. In June, Bolivian authorities apprehended "Danilo," Herrera's Bolivian source

of supply for thousands of kilograms of cocaine, further disrupting Herrera's operations.

The Cali-based Rodriguez-Orejuela organization suffered numerous setbacks during 1992, especially to their distribution networks. In November 1991, DEA, in a joint investigation with the U.S. Customs Service in Miami, seized 12.5 metric tons of this group's cocaine, which was hidden in cement posts. In April 1992, the Rodriguez-Orejuelas organization had 6.6 tons of cocaine seized in Miami from a shipment of frozen broccoli, and in July another 5.3 tons were seized in Panama from a shipment of ceramic tiles.

Federal Bureau of Investigation (FBI)

FBI drug investigations in 1992 resulted in 4,361 indictments, 3,419 arrests and 2,957 felony convictions. Significant cases included:

- The Houston Division Posada-Rios investigation culminated in Federal drug and money laundering indictments of one corporation and 29 members of the Posada-Rios organization, a United States-based cell of the Medellin Drug Cartel. This organization was engaged in drug trafficking in Houston, Austin, Miami, and Los Angeles.
- The Philadelphia Division Metroliner investigation culminated in Federal drug indictments of 77 members and associates of a Philadelphia-based drug cartel cell led by a Colombian national. This organization was active in Philadelphia, Los Angeles, Miami, New York, Newark, and San Juan.
- Another Philadelphia Division investigation, the Tyria H. Ekwensi investigation, uncovered several drug-trafficking groups utilizing Federal Express to ship packages of drugs and currency to California. As a result, 12 defendants have been indicted, and

55 kilograms of cocaine, 1.4 kilograms of heroin, and approximately \$1 million in cash and property have been seized.

Immigration and Naturalization Service (INS)

The role of INS in drug enforcement was expanded in 1992 when the President's Office of National Drug Control Policy (ONDCP) designated the Border Patrol as the primary agency for drug interdiction between the ports of entry along the border between the United States and Mexico, a High Intensity Drug Trafficking Area. The Border Patrol made 5,070 seizures of illegal drugs valued at an estimated \$1.4 billion in 1992, preventing almost 347 tons of marijuana and 38,000 pounds of cocaine, among other substances, from reaching drug markets. The INS also used an appropriation of \$5.9 million authorized by the Antidrug Abuse Act to enhance surveillance and other operations along the border.

United States Marshals Service (USMS)

In 1992, more than 13,000 warrants were issued for individuals either charged with, or convicted of, narcotics crimes, but who had escaped from confinement, jumped bond, violated their parole or probation or were the subject of a Drug Enforcement Administration investigation. Almost 9,700 of these warrants were closed due to arrest or location of the fugitive by the Marshals Service.

The year also marked an important advancement in the relationship between the United States and Colombia with the apprehension of escapee Lazaro Diaz. In June 1991, the intense investigation by the Marshals Service to apprehend Diaz led to Bogota, Colombia. This dangerous felon was secured by

Colombian police after negotiations with Marshals Service officials, the Drug Enforcement Administration, the State Department and the Colombian government. Following the Diaz arrest, six more fugitives were arrested in Colombia and returned, or are awaiting return, to the United States to face criminal charges.

United States Attorneys

The Department's investigative work enabled the U.S. Attorneys' Offices to file almost 10,000 controlled substance cases, involving more than 22,360 defendants. Of the 9,155 cases terminated during 1992, guilty verdicts or guilty pleas were received for 16,163 defendants. Significant cases included:

- In the Southern District of Illinois, the leader of a major East St. Louis crack cocaine ring was sentenced to four life terms, after being convicted of drug conspiracy, money laundering, running a criminal enterprise, and employing a minor for drug trafficking.
- A doctor in Buffalo, N.Y., was convicted of distributing drugs to a narcotics ring and was sentenced to prison for 12.5 years. More than 20 witnesses testified at his trial that he routinely wrote prescriptions for patients he had never met and then sold the prescriptions to a city narcotics ring.
- Former Panamanian strongman Manuel Noriega was convicted in the Southern District of Florida on charges of exploiting his official position as head of the intelligence section of the Panamanian National Guard, and as then Commander-in-Chief of the Defense Forces of the Republic of Panama receiving payoffs in return for assisting and protecting international drug traffickers. A Federal judge sentenced him to 40 years' imprisonment.

Tax Division

Tax Division prosecutors played a major role in the conviction of drug kingpin Jesus Lazario Barrios. Barrios headed a major distribution network that imported approximately 50,000 kilos of marijuana and 5,000 kilos of cocaine into the country from 1981 through 1987, reputedly the sixth largest narcotics trafficking organization in the country. The 80 year sentence Barrios received effectively ensures the end of this ring.

Tax Division prosecutors also dismantled a multi-state drug distribution ring centered in Las Vegas, Nevada. Following convictions of the kingpins of the so-called "Whittenberg Group," the prosecutors successfully pressed forfeiture claims as to millions of dollars in cash, real estate, airplanes, classic cars and an interest in a Las Vegas casino, amassed by ring members.

Money Laundering

1992 saw the culmination of several Department initiatives aimed at destroying drug-related money laundering operations. Operation Green Ice was a two-year DEA initiative that specifically targeted the money laundering activities of kingpin organizations. Green Ice culminated during the weekend of September 25, 1992, when seven top-ranking Cali Cartel money managers were captured worldwide, seriously disrupting the money flow of the Colombian cartels.

The operation also resulted in the international seizure of more than \$50.3 million in cash and property and confirmed connections between the cartels and organized crime families in Italy. As a result of Operation Green Ice, 111 persons were arrested in a series of raids of several undercover money laundering operations in New York, Miami, Chicago, Los Angeles

and San Diego, as well as in Italy, Canada and the United Kingdom. Prior to the raids, more than \$30 million in cash was seized, and during the raids, more than \$15 million in cash as well as more than 200 kilos of cocaine were seized.

The cooperative endeavor involved eight nations—Canada, the Cayman Islands, Colombia, Costa Rica, Italy, Spain, the United Kingdom, and the United States—and can be considered the first operational International Task Force to combat drug money laundering.

In addition to enforcement actions directed against specific kingpins, many operations have been initiated against major service organizations supporting kingpins. These operations are a critical part of the strategy. An investigation that focused on Jorge Reyes-Torres in Ecuador targeted such a service organization. Reyes-Torres' father was historically linked to the Ochoa brothers of Medellin. Jorge Reyes-Torres expanded the family business beyond smuggling into money laundering and cocaine HCl production and established a relationship with the Cali Cartel. Following his arrest in June 1992, \$28 million was seized in August from his bank accounts in Liechtenstein and Switzerland. The loss of \$28 million significantly impacted the operations of Reyes-Torres and the kingpins involved with him.

The Criminal Division contributed to the efforts against money laundering through the coordination of "Polar Cap V", a major investigation which led to the seizure of more than \$25 million in assets across the United States and in five foreign countries. The investigation focused on the movement of Colombian drug cartel funds by a major money laundering organization headquartered in the United States but with assets transferred into numerous third party bank accounts across the country and abroad. The assets are now the subject of civil forfeiture actions pending in nine judicial districts.

The U.S. Attorneys' Offices also successfully prosecuted key money laundering cases in 1992. A jury in the District of Arizona returned guilty verdicts against two defendants in the first major prosecution of suppliers of aircraft to the Medellin Cartel. Daniel Morales, a Phoenix area aircraft broker, was convicted of five counts of money laundering and one count of conspiracy to import cocaine. Burton Golb, an aircraft broker from Houston and an associate of Morales, was convicted of four counts of money laundering. The defendants had used proceeds of cocaine trafficking laundered through the Cartel's operation to purchase aircraft used to transport large loads of cocaine from Colombia to Mexico, where it was smuggled into the United States. The jury also forfeited the defendants' interest in approximately \$17 million worth of property, including two Lear Jets, four DC-3 turbo-prop conversions, real estate, luxury vehicles, and bank accounts.

Domestic Drug Production

Domestic production of marijuana continues to pose challenges to law enforcement, as nearly one-fifth of the marijuana available for consumption in the United States is domestically grown. DEA's Domestic Cannabis Eradication/Suppression Program and other enforcement operations have been successful in destroying an increasing percentage of domestically grown marijuana from both indoor and outdoor sites. However, indoor cultivation of cannabis showed a marked increase in 1992, and DEA responded with expanded training and identification initiatives. Thermal imaging devices have been successful in verifying indoor growing operations. In addition, DEA trained 1,147 Federal agents, state and local law enforcement officers and national Guard personnel in indoor growing investigative techniques as part of 10

schools conducted in 1992. DEA continues to develop leads on potential indoor growing operations through such means as "store front" surveillance, equipment purchases and telephone record acquisition.

Steroids also received increased attention. An estimated one million Americans, half of them adolescents, have used steroids. DEA successfully implemented the Anabolic Steroid Control Act through enactment of necessary regulations, establishment of industry-wide cooperation, and initiation of a series of Nationwide and international investigations. As a result, steroid diversion within the United States has been sharply reduced, and the majority of cases currently under investigation involve steroids smuggled into the United States from abroad.

Drug Demand Reduction

With the inception of Operation Weed and Seed, numerous U.S. Attorneys' Offices expanded their drug demand reduction activities. Examples include:

- In the Eastern District of Pennsylvania, two programs focus on anti-drug efforts. The first is a joint effort between the Police Athletic League and CORA Youth Services called the "PAL Plus Program." It supplements PAL's program of crime prevention through athletic and recreational activities by providing substance abuse prevention, intervention counseling, and family advocacy/parent education.

The second program is Corporate Alliance of Drug Education (CADE), a program funded with largely private resources that have matched the funding provided by Weed and Seed. CADE uses drug prevention specialists who work in the public and parochial elementary schools in the Weed and Seed areas, to teach drug education and drug demand reduction during regular class time. They

help identify at-risk youth who can be referred for individual or family counseling through the school.

- The Omaha Community Partnership, a model program, provides coordination, credibility, and focus to the drug war in Omaha, Nebraska. The United States Attorney's office has joined school, community, religious, private sector and government leaders to create the Partnership, which is leading a unified and aggressive campaign to combat drugs in the city. The Partnership's major project is called "Drug-Free Omaha—The Decade of Difference." Its mission is to have "a safe community in which all citizens share the responsibility for zero tolerance of the illegal use of tobacco, alcohol, and other drugs through a spirit of cooperation and coordination of services."

DEA joined the U.S. Attorneys in increasing its assistance to local groups in forming community antidrug coalitions during the year. DEA Special Agents designated as Drug Demand Reduction Coordinators (DDRCs) were key players in the formation of these diverse alliances:

- With funding from Kaiser Permanente, the United Way, Pacific Telesis and Security Pacific Bank, and drawing heavily on a start-up plan from DEA, the Los Angeles Alliance for a Drug-Free Community began a broad-gauge attack on illicit drug abuse. The alliance promotes cooperation and information sharing among existing and emerging neighborhood-based organizations, while encouraging participation from civic and business leaders, law enforcement, and the school system.

- In Newport News, Virginia, 100 military personnel of the aircraft carrier *Enterprise* worked with high-risk youngsters in an intensive mentoring program. The effort was sponsored by BACK

(Business and Community for Kids), a coalition launched with continuing DEA guidance and support. BACK was also the catalyst for a drug-free prom party at a major local mall for all the city's high schools. The mall's owners joined the effort after a presentation by the area DEA Demand Reduction Coordinator.

Other priorities of DEA's Demand Reduction Program were user accountability, "drugs in the workplace," sports drug awareness, programs for minority or high-risk youth, and training for local law enforcement officers. Sixty Special Agents of the FBI also served as DDRCs, and made more than 3,000 antidrug presentations to the Nation's schools, businesses and communities.

The Office of Justice Programs (OJP) also supports the Nationwide Drug Abuse Resistance Education (DARE) program, which teaches K-12 grade students, with special emphasis on fifth and sixth grade students, ways to resist peer pressure to experiment and use drugs. It educates young people about the effects of drug use and provides them both decisionmaking skills as well as the motivation required to employ skills learned.

More than 12 million elementary and junior high students in the United States received DARE

training during the 1991-92 school year. In addition, DARE Parent Program Training Seminars provided an additional 36 hours of training for DARE instructors that were selected to assist parents in helping their children remain drug free.

The National Citizens' Crime Prevention Campaign continued during 1992 under a cooperative agreement between OJP and the National Crime Prevention Council. The campaign consists of public service drug and crime prevention advertising, demonstration programs focusing on community involvement in drug prevention, dissemination of crime and drug prevention materials, technical assistance and training programs, and coordination of the 134 member Crime Prevention Coalition. During 1992, the major focus of the campaign was on community and police partnerships to reduce crime and drug abuse.

A record 25.2 million people in more than 8,500 cities and towns took part in National Night Out, co-sponsored by OJP and the National Crime Prevention Council, on August 4, 1992. The event was highlighted by police-community celebrations which included parades, rallies, ice cream socials, vigils and neighborhood block parties.

Chapter III: White Collar Crime

White collar crime damages our nation's economy and creates financial losses which impact every consumer and taxpayer. The Justice Department remains committed to vigorous investigation and prosecution of fraud, anti-competitive business activity, public corruption and environmental crime, which are key battlegrounds in the fight against white collar crime.

Fraud

Economic crime undermines confidence in both public and private institutions. In 1992, the Department bolstered its efforts to stem the tide of fraudulent activity in our Nation's financial, defense procurement, health care and insurance entities.

Financial Institution Fraud

The Department of Justice and the United States Attorneys' Offices are aggressively prosecuting those responsible for undermining many of our financial institutions, and recovering as much as possible of the lost assets. Since October 1, 1988, the Justice Department has prosecuted 1,068 officials of financial institutions, with 928 convicted to date. During this same period, a total of 3,725 defendants have been charged, with 2,955 of those resulting in convictions by the end of September 1992. Prison sentences have been ordered for 1,930 defendants, totaling 4,532 years, and more than \$36.6 million in court-ordered restitution has been recovered to date. Successful prosecutions by the U.S. Attorneys include:

- In the Central District of California, Thomas Spiegel was charged with 55 counts of fraud,

which effectively destroyed the nation's most profitable thrift, Columbia Savings and Loan Association. Spiegel faces penalties of up to 275 years in prison and \$13 million in fines.

- The former owner, CEO, and Chairman of the Board of Directors of the Western Savings Association was sentenced to 25 years in prison and ordered to pay almost \$38 million in restitution to the Federal Deposit Insurance Corporation. He was convicted of conspiracy to defraud the Federal Home Loan Bank Board and the Federal Savings and Loan Insurance Corporation and of misusing Western funds to pay his gambling debts and to cure the delinquencies of a major borrower.
- Salomon Brothers, Inc., was charged with conspiracy in violation of the Sherman Antitrust Act to limit the supply of two-year Treasury notes available in the secondary and financing markets. As part of a settlement with the Antitrust Division, United States Attorney's Office for the Southern District of New York and the Securities and Exchange Commission, Salomon agreed to pay a total of \$290 million in sanctions, restitution to victims and forfeitures. The forfeiture of \$55.3 million represented the largest antitrust forfeiture ever.

Civil Division attorneys took an unprecedented step in holding financial institution professionals accountable for their roles in the massive Savings & Loan debacle. Working with the Office of Thrift Supervision, a team of Civil Division attorneys filed charges against the law firm of Kaye, Scholer, Fierman, Hays & Handler for violations of Federal banking laws resulting from the firm's involvement with Lincoln Savings and Loan Association. The firm subsequently forfeited \$41 million to the government.

In the wake of the collapse of the thrift industry, the Tax Division, in cooperation with the United States Attorney for the Northern District of Texas and the Fraud Section of the Criminal Division, has dramatically increased its work on tax investigations and prosecutions arising out of the Dallas Bank Fraud Task Force, and has become an important participant in both the Boston and San Diego Bank Fraud Task Forces. In 1992, Tax Division criminal enforcement attorneys obtained 35 indictments and 10 convictions in savings and loan cases, and more than 45 tax-related convictions.

Tax Division attorneys also played a critical role in bringing to justice many of the figures involved in the criminal dealings of the Bank of Credit and Commerce International (BCCI). Attorneys assisted the Fraud Section of the Criminal Division in obtaining the indictment, on tax and bank fraud charges, of William W. Batastini, the former senior vice president and comptroller of the National Bank of Georgia (NBG). They also played a key role in obtaining indictments of Ghaith R. Pharaon, NBG's former owner, and of Swaleh Naqvi, the reputedly "number two man" at BCCI, for their involvement in the same tax and bank fraud scheme.

Defense Procurement Fraud

Aggressive investigation and prosecution of corruption in the defense contracting industry accounted for the largest share of monetary recoveries for the Department in 1992. Operation Ill Wind, a joint venture of the FBI and the Criminal Division, resulted in the conviction of seven corporations and 51 individuals, with monetary recoveries exceeding \$230 million. The Department has convicted more than 30 of the top 100 defense contractors, including Hughes Aircraft Company, Inc. and Teledyne, Inc., with procurement fraud.

In a related case, the General Electric Company (GE) pleaded guilty to a conspiracy that included the diversion of \$26.5 million from the U.S.-financed F-16 jet program with the Israeli Air Force. The money was channeled to a former Israeli Brigadier General to influence him to assist GE in securing favorable treatment in connection with the F-16 program contracts. Funds were also used to generate funding for projects that the general either could not or did not want to have approved by the Israeli Ministry of Defense or the U.S. government. GE agreed to pay a total of \$69 million in fines, penalties, and damages.

Health Care Fraud

In 1992 the Department enhanced its effort to combat health care fraud by reassigning 50 FBI agents and forming special investigative units in 12 cities to prosecute health care fraud through the use of criminal and civil remedies. As a result of a nationwide undercover investigation of prescription drug frauds committed by pharmacists, drug diverters, and physicians titled Operation Gold Pill, more than 200 criminal charges were filed, leading to 107 arrests, 111 searches and the seizure of 11 pharmacies and more than \$1 million in cash.

United States Attorney's Office for the Northern District of Texas convicted the owner of a Texas pharmacy of stealing \$600,000 from a drug program intended for indigent or uninsured persons affected with AIDS. The money was stolen from a program funded by the Federal government through which AIDS patients who had no insurance or were poor could purchase four bottles of the treatment drug AZT for less than \$20. The pharmacy, however, raised the price to as much as \$998 and sold the drug to people who did not qualify for the program.

Insurance Fraud

Insurance fraud continues to plague American consumers, particularly health care consumers. This type of fraud is directed not only at health care consumers, but providers as well. The Department formed an insurance fraud working group to develop private sector and state cooperation, identify a formal process for receiving referrals of suspected fraud for criminal investigation, and establish a coordinated approach to prosecuting major criminal cases and creating training programs.

In one of the largest insurance schemes in the country, Leonard Bramson pled guilty to a money laundering charge involving proceeds of nearly \$10 million. Bramson and his brother operated dozens of unlicensed insurance companies, targeting physicians from around the country by offering below-market malpractice insurance premium rates.

In a case investigated by the FBI, three defendants were convicted or pled guilty to fraud and money laundering in connection with a fraudulent medical malpractice insurance scheme which involved more than 100,000 medical professionals who had purchased insurance from the subjects and their affiliated companies. Thus far, 53 insurance companies have been placed in liquidation as a result of this investigation. One defendant has agreed to repatriate, from foreign accounts, more than \$1 million in fraudulently obtained proceeds.

Bankruptcy Fraud

During 1992, the Department continued its efforts to strengthen the integrity of the Nation's bankruptcy system and to deter the abuse of the bankruptcy laws. The Nationwide United States Trustee Program was created to bring greater supervision to the administra-

tion of bankruptcy estates and was placed within the Department's jurisdiction. Through the close relationship between the U.S. Trustees, the United States Attorneys' Offices and the FBI, the ability to detect the concealment of assets and bankruptcy fraud has been vastly enhanced.

More than 300 criminal bankruptcy matters were referred to the FBI for investigation during 1992 or to the U.S. Attorneys' Offices for indictment and prosecution, resulting in 45 convictions with more than \$700,000 in fines and restitution. The FBI has implemented several new initiatives in the bankruptcy fraud area including joint training with U.S. Trustees and the establishment of Bankruptcy Task Forces in Seattle, Houston, and Chicago.

The Department has devoted significant efforts to ensure that private trustees adhere to traditional fiduciary standards in their administration of chapter 7 estates. These efforts include the imposing of periodic reporting requirements on the part of the private trustees and greater scrutiny over their conduct. One of the most effective tools used to monitor the private trustees' administration of bankruptcy cases has been the periodic audits performed by the Department's Inspector General and by private accounting firms. These audits resulted in more than 1,700 findings of private trustee malfeasance in their administration of cases.

The concealment of estate assets by debtors and private trustee embezzlement remain the most common forms of bankruptcy crime. In one case, a debtor was convicted of concealing \$300,000 in estate assets, 10 counts of mail fraud and making false statements to Federally insured financial institutions. In another case, a private trustee was sentenced to three years and eight months in prison for illegally commingling \$2.5 million from numerous escrow accounts.

Tax Fraud

The Tax Division is working closely with the Internal Revenue Service to step up enforcement efforts against tax violators with legal-source income. 1992 saw the beginnings of a non-filer initiative targeting the nearly 10 million taxpayers who are obliged to file returns but fail to do so each year. The IRS estimates that these non-filers cost the Federal Treasury more than \$7 billion annually. Working closely with the IRS, the U.S. Attorneys and Tax Division prosecutors obtained indictments against 127 individuals on failure to file charges between January 1, 1992, and April 15, 1992, and have already obtained convictions in more than half those cases.

In another joint effort with the IRS, the Tax Division moved swiftly to uncover and prosecute those who abuse the Electronic Filing Program (ELF). In 1992, Tax Division criminal enforcement attorneys assisted in obtaining more than 400 indictments for ELF fraud, most of which have already resulted in either plea agreements or convictions. In the largest case to date, 24 individuals were indicted on December 4, 1991, in Houston, Texas for perpetrating a fraudulent electronic refund scheme involving approximately 750 individuals, many of whom were actually unemployed residents of low-income housing projects.

Other Fraud

The Department's efforts to protect the public from abuse were well chronicled in 1992. In a highly-publicized case, Dr. Cecil Jacobson was convicted on 53 counts of mail fraud, wire fraud, travel fraud and perjury. Jacobson, known as the "fertility doctor," defrauded at least 11 couples who participated in an artificial insemination program by impregnating the women

with his own sperm. Jacobson, who fathered 15 children in this manner, was sentenced to 60 months in prison and ordered to pay restitution of almost \$40,000.

Other significant cases included:

- The Criminal Division, in conjunction with the FBI and the Secret Service, conducted the first successful court-authorized electronic surveillance of data transmissions. The defendants allegedly broke into computers operated by the Martin Marietta Electronics Information and Missile Group as well as various telephone companies. Five computer hackers were indicted as a result of this wiretap.
- INS agents participated in a year-long investigation of a scheme to procure immigration documents for Asians seeking resident status in the United States. This investigation resulted in the arrest of 39 aliens in a six state area and the seizure of seven vehicles, one residence, cash, numerous weapons, and more than \$650,000 paid to bribe an undercover agent.

Public Corruption

The Department moved aggressively in 1992 to root out corruption at all levels of government. FBI undercover operations resulted in a number of significant indictments and convictions including the conviction of 29 current or former police officers in Cleveland, Ohio; the conviction of a former chief of police in Detroit, Michigan; the indictment of 17 and conviction of eight New York City Department of Building inspectors and their supervisors; the indictment of three current and one former judge and five defense attorneys in Miami, Florida; and the conviction of the mayor of Miami Beach, Florida, for various corrupt acts involving "selling" their offices. The FBI

achieved 644 informations and indictments, 514 convictions and pretrial diversions and \$21.6 million in fines, recoveries and restitutions in public corruption cases in 1992.

United States Attorneys joined the FBI in actively prosecuting corrupt officials, filing 469 cases charging 703 individuals. Notable cases included:

- In the Eastern District of Michigan, the former Chief of the Detroit Police Department was sentenced to 10 years in prison for embezzling \$2.6 million in city funds and filing false income tax returns. He was also ordered to pay more than \$2.3 million in restitution.
- A 14-year veteran of the Herkimer, New York Police Department pled guilty to cocaine and marijuana distribution. In his responsibility for drug investigations for the department, he directed informants to take cocaine and marijuana which had been secured as evidence, sell the drugs, and return the money to him.
- In the Northern District of Illinois, a former state senator was convicted of accepting bribes from an undercover mole to push an insurance bill through the legislature. He was sentenced to three years in prison, three years' supervised release, ordered to perform 360 hours of community service, and ordered to pay \$7,500 in restitution and a \$10,000 fine.

Environmental Enforcement Activities

Protection of the environment has become an urgent social issue, and the Department has responded with renewed enforcement initiatives. In 1992, the Environment and Natural Resources Division set a new record for the number of indictments for environmental crimes — 174 indictments compared with the previous record of 134 in 1990.

The largest environmental penalty in U.S. history was levied when Exxon and Exxon Shipping entered guilty pleas for their conduct in connection with the Exxon Valdez oil spill in Prince William Sound. That spill resulted in a 700-mile migration of crude oil and the deaths of 36,000 migratory birds. The combined criminal and civil settlement total which Exxon agreed to pay is \$1.125 billion, of which \$250 million is for criminal fines and restitution. Exxon pled guilty to one count of violating the Migratory Bird Treaty Act (MBTA), and Exxon Shipping pled guilty to violations of the Clean Water Act, the Refuse Act, and the MBTA. Under this agreement, Exxon will remedy the harm to the Sound and will make the investment in safety that is necessary to prevent future disasters.

The largest fine ever imposed in a hazardous waste case was levied on Rockwell Corporation for five felony and five misdemeanor violations of the Resource Conservation and Recovery Act and the Clean Water Act in connection with its operation of the Rocky Flats Nuclear Weapons Plant near Golden, Colorado. The FBI's Desert Glow Investigation uncovered illegal storage of wastes that contained both radioactive and other hazardous constituents, as well as corrosive hazardous wastes. Rockwell pled guilty to illegal storage of wastes and to illegal discharge of industrial and hazardous wastes to its sewage treatment plant. An \$18.5 million criminal fine was imposed upon the corporation.

Protection of the nation's wildlife resources also continued to be a major priority of the Division, working in concert with U.S. Attorneys. Operation Whiteout, a two-year undercover investigation by the Fish and Wildlife Service, revealed a significant black-market trade in walrus ivory, including the trading of ivory for drugs. Twenty-nine defendants were indicted in Anchorage, Alaska, on criminal charges involving wildlife and drug offenses. Twenty-five of the defendants have been convicted or have pled guilty, typically of multiple felony charges.

Chapter IV: Controlling the Border

During 1992, the Immigration and Naturalization Service (INS) responded to the ever-increasing demands by enhancing border security and bolstering efforts against criminal aliens, improving immigration inspection services, and enhancing activities devoted to processing applications for immigration benefits for legal immigrants. In February 1992, the Attorney General directed INS to undertake a series of initiatives designed to strengthen its primary operational responsibilities. INS has been successful in expanding its workforce, improving law enforcement efforts, and providing increased services to the country's legal aliens.

Border Enforcement Activities and Initiatives

As described in Chapter II, INS' Border Patrol was designated in 1992 as the primary agency for drug interdiction between the ports of entry along the United States-Mexico border. Notwithstanding this major new responsibility, the Patrol's ongoing, principal mission is to deter illegal entry and conduct related apprehension activity at or near the borders. Assisting effectively in this mission during 1992 was INS' Immigration Inspector workforce, which itself was responsible for intercepting more than 21,000 smuggled aliens, seizing



Military Reservists reinforce border fence near San Diego with surplus metal used for temporary landing strips. The fence repair was a cooperative project of the Border Patrol and the Department of Defense in support of overall border enhancement.

Source: Immigration and Naturalization Service

9,725 vehicles and detecting more than 40,000 false claims to U.S. citizenship. The Attorney General strongly affirmed the critical importance of this enforcement mission by announcing an Enhanced Border Security Initiative in 1992. To implement the Attorney General's directive, the INS undertook determined measures to hire and train 300 additional Patrol agents over a six-month period. By the end of the year these efforts resulted in on-board agent levels which exceeded 4,000, thereby reducing position vacancy rates to their lowest levels in years.

There also was continued progress in military-supported efforts to make enforcement activity more effective through better surveillance and stronger barriers. This included the installation of stadium-style lights and sensors in areas most heavily trafficked by illegal aliens, drug smugglers and border bandits.

Improvement of these barrier systems seems to have had the desired effect of channeling alien and smuggling operations toward areas where INS personnel can work most effectively. In addition, border roads in the San Diego and Tucson Sectors were upgraded during 1992 as a result of military support. This enabled the Patrol agents to pursue their control activities more efficiently in those areas where most illegal crossing attempts occur. The total number of Border Patrol apprehensions in 1992 was 1,201,000. This represents an increase of six percent compared to 1991 and marks the third consecutive year that apprehensions have exceeded the one million level.

Ensuring the integrity of the Nation's borders also required the use of other Department enforcement mechanisms, such as aggressive prosecution and litigation assistance. Along these lines, the U.S. Attorneys continued their strong support for two major ongoing initiatives, Project Northstar, along the U.S.-Canada border and Project Alliance, along the U.S.-Mexico border. In a somewhat less direct, but no less important manner, the Civil Division and the Office of Solicitor General collaborated in defending U.S. policy in a Supreme Court case involving Haitian migrants.

Successful resolution of the case preserved the President's authority to use available resources to regulate alien traffic seeking entry to U.S. territorial waters.

Employer Sanctions

Another of INS' main responsibilities is to deter the employment of illegal aliens who are not authorized to work in this country. During 1992 the INS undertook a pilot project which sought to initiate cases based on investigative leads. Although resulting investigations took longer to resolve due to their complexity, they were recording a higher overall success rate for at least one key performance indicator, the number of Notices of Intent to Fine for repeat violators. In total, INS completed more than 7,600 employer sanctions cases and issued approximately 1,300 warnings and 2,500 formal Notices in 1992. Also, more than \$17 million in fines were actually assessed, and almost 12,000 unauthorized alien workers were apprehended.

A number of steps were taken in 1992 to address more effectively other statutory provisions of the employer sanctions program. For example, INS emphasized the importance of voluntary compliance among U.S. employers, and implemented a telephone-based system designed to expedite the verification of an alien's employment eligibility status. A control group of nine employers from five states were chosen to participate in this pilot and had generated nearly 1,300 queries to the system.

The Office of Special Counsel for Immigration Related Unfair Practices continued concerted public education efforts to inform victims of employment discrimination of their rights and employers of their responsibilities. These efforts are primarily handled both through non-profit service providers and through private sector contracts to accomplish their mission. A wide variety of innovative public education approaches are used, including theater presentations, multi-lingual

hot lines, neighborhood fairs, etc. During 1992 the Special Counsel's Office awarded more than \$3 million to help accomplish the educational aspect of this program.

Apprehension and Deportation of Illegal Immigrants

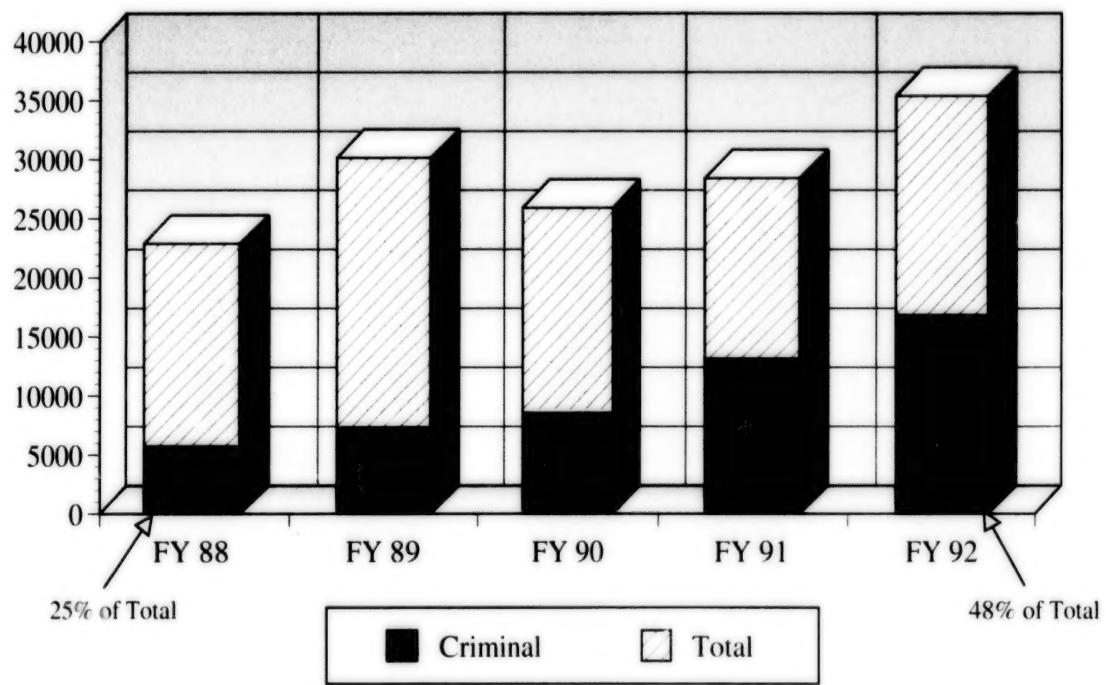
As noted above, the vast majority of apprehensions reported for 1992 occurred at locations monitored either by the Border Patrol or by INS' Inspector workforce. However, because INS also has the primary responsibility to enforce immigration laws within the country's interior region, it maintains a large investigative workforce which regularly apprehends illegal

entrants, disrupts smuggling operations and counters other criminal activities. These investigative efforts support not only criminal prosecutions but also administrative actions leading to deportation. In discharging these latter responsibilities, the Executive Office for Immigration Review (EOIR) plays a major role.

Criminal Aliens

Involvement in criminal activity by illegal immigrants continued to be a very significant problem during 1992. In fact, INS now expends nearly one-third of its investigative effort on criminal matters, and, at least in certain facilities, a majority of available space is used for detaining criminal aliens. INS reports that it

Number of Deportations, FY 88 - 92



Source: Immigration and Naturalization Service

deported approximately 15,400 individuals on criminal grounds in 1992, about half of whom on narcotics violations.

The INS also worked closely with the FBI to add names of known criminal aliens to the National Crime Information Center to aid all law enforcement agencies in identifying and locating them. In addition, the INS began devising an implementation plan for a National Criminal Alien Tracking Center which will eventually provide 24-hour response to state and local authorities as they arrest aliens who may be deportable.

Hearing and Adjudication Processes

The INS' activity in this area during 1992 was directly influenced by the high priority placed on addressing the criminal alien problem. In fact, INS' Investigations program concentrates much of its efforts on the processing of aliens who are serving prison sentences. It is expected that the initiation of deportation proceedings early in an alien's incarceration will reduce detention costs and expedite the removal process from prison.

Along this same line, the EOIR and the INS worked closely with the Bureau of Prisons and state and local correctional agencies to add six more facilities to the Institutional Hearing Program. As of October 1992 this program enabled deportation proceedings to be conducted for criminal alien inmates in five Federal facilities, 67 state prisons, and one county jail. The special INS Cuban Program expeditiously reviewed all cases for detained Mariel criminals, accelerated the repatriation process, and returned 236 of these individuals to Cuba during the year.

More attention was also devoted in 1992 toward eliminating the "revolving door" nature of much deportation activity. For example, in a pilot project done in cooperation with Mexico, the INS repatriated more than 300 Mexican criminals directly from San Diego to

Mexico City. Returning these individuals to the interior of Mexico rather than at a border crossing was expected to make return attempts more difficult. As a result of all these various efforts, the number of deportations in 1992 was the highest ever recorded, or a total of 35,400 — including those deported on criminal grounds.

Asylum

The INS Asylum Program completed its first full year of operation during 1992, experiencing both crisis and growth. Just as this program's adjudication corps was being staffed up to authorized levels, the military coup in Haiti occurred, driving tens of thousands of its citizens to flee by boat towards the United States. The resulting crisis required INS to undertake extraordinary measures to deal with an overwhelming workload. For example, between November 1991 and June 1992, INS personnel interviewed more than 36,000 Haitians who had been interdicted at sea, screening in approximately 10,700 to pursue claims in the United States.

In close cooperation with the Departments of State and Defense, special housing facilities were set up for the migrants at the Guantanamo Naval Base in Cuba as the processing continued. About 50, or fully one-third of INS' 150 Asylum Officers, agreed to a lengthy detail in Cuba to assist in this unprecedented situation. Toward the end of the year, in an attempt to curb further flight by Haitians from their country, INS began processing refugee requests in Port-au-Prince. About 2,100 such applicants had already been interviewed by the end of September.

Aside from the emergency situation with Haitian migrants, this program had already been experiencing a huge growth in workload. For example, INS' Asylum Offices received nearly 116,400 cases in 1992, conducted more than 20,000 interviews and adjudicated

10,923 cases. Despite their best efforts, the backlog in pending cases increased by more than 50 percent, to 216,000 cases. Such a flood of workload prompted INS management to direct that its Service Centers begin playing a role in the asylum application process. This involvement, coupled with streamlined data entry and automation improvements, enabled the adjudication corps to increase its rate of interviews and case completions.

Immigration Services and Inspections

Adjudications

The INS performs a wide variety of important services which have a lasting and profound effect on the daily lives of the Nation's citizens and its immigrants. These services encompass not only the increasingly complex adjudications and naturalization responsibilities, but also the labor intensive ports-of-entry inspections function. Efforts in the adjudications area, in particular, were influenced this past year by continuing legislative and regulatory changes related to the landmark Immigration Act of 1990. For example, INS issued implementation directives addressing 37 separate provisions of this and related statutes. A high degree of public interest and dialogue accompanied these actions since they dealt with such important topics as family-sponsored and employment-based immigration, and a new immigrant visa for foreign investors.

Continuing improvements in automation and staffing, primarily at its four Service Centers, permitted INS to adjudicate more than 4.1 million applications for immigration benefits. This represented a productivity increase of almost 30 percent, marking the second straight year of strong gains in this standard of efficiency.

Despite this progress, work demands continued to expand in this area, with the number of pending applications increasing by almost 80,000 during 1992.

Alien documentation remained another major part of INS' burgeoning workload in 1992, although that area also recorded significant improvements in productivity; specifically, more than 660,000 employment authorization documents were issued. In addition, INS initiated "Operation Green Card" — a project intended to replace all pre-1978 issued registration cards with counterfeit-proof ones that include the holder's fingerprint and signature. This project has the dual purpose of simplifying the verification of aliens' work eligibility and nullifying fraudulent use of such cards by document vendors.

Naturalization Activity

The statutory changes referenced at the start of this section had a particular effect in 1992 on the naturalization process. That is, the 1990 Immigration Act was technically amended in December 1991 to reinstate judicial authority over naturalization processes. However, the amendment still allowed citizenship candidates to choose administrative ceremonies where the courts had not claimed exclusive jurisdiction. At the same time, the INS instituted standardized testing for applicants at preapproved private facilities, thereby reducing the time required for interviews. In total for 1992, more than 297,000 resident aliens became naturalized citizens, including more than 7,000 Filipino war veterans who had qualified under a special statutory provision.

Inspections

Over the past several years, INS' Inspections program has experienced steadily increasing workload levels and last year was no exception, with a total of

more than 430 million persons inspected at land ports-of-entry alone. The upward trend is projected to continue, with concomitant increases in the number of inadmissible entrants intercepted (up to 810,000 in 1992 just at land ports). In order to address these phenomenal workload pressures, INS has begun formulating a strategic plan, Land Border 2000, which will guide this enforcement effort over the next decade.

INS also recorded two important operational successes in this area during 1992. Specifically, the Peace Arch Crossing Entry (PACE) at the Blaine, WA., port-of-entry completed the initial year of its operation of the first-of-its-kind Dedicated Commuter Lane (DCL). Both users and inspectors rated PACE an unqualified success because it speeds traffic through the port and makes more efficient use of inspections resources. A secondary positive feature of this operation was that it generated \$380,025 in revenues from 20,983 users of the service. INS plans to expand the DCL concept to additional sites in the future.

The INS took other strong steps during 1992 to strengthen its Inspections program. For example, in consultation with the commercial air carrier industry, it provided training to personnel of 48 airlines in profiling techniques and identification of fraudulent documents so that airline employees working overseas could screen improperly documented passengers before they departed on U.S.-bound flights. During a 60-day test of this training, 265 aliens with fraudulent documents were intercepted at 27 locations in Central and South America, Europe, and Asia.

Haitian Resettlement Efforts

The Department's Community Relations Service (CRS) also plays an important role in the provision of certain immigration-related services, often under dire circumstances. For example, CRS played a major role in reducing tensions and concerns among Haitians dur-

ing their processing through Guantanamo Bay, Cuba. CRS has statutory responsibility to provide placement and resettlement assistance to those Haitians who are eventually approved for entry into the United States. In performing this mission during the 1992 crisis, CRS personnel dealt with the community tensions and concerns in Miami regarding Federal policy toward these Haitians. In a practical sense, this included the actual resettlement of screened-in cases, as well as giving technical assistance to government officials and the voluntary sector.

The magnitude of CRS' resettlement activities required for the Haitian crisis bears special mention. During 1992, CRS resettled more than 10,700 Haitians from Guantanamo Bay, 440 of whom were unaccompanied minors. With approximately 75 percent of the resettlements occurring in Florida, CRS established a network of grants and cooperative agreements with voluntary agencies to help handle shelter care, child welfare and other services. For those Haitians who did not have family members in the United States, CRS' grantees administered resettlement programs in New Jersey, New York, Massachusetts, Connecticut, California, Nevada, Oregon and New Mexico.

Immigration Management Improvements

During 1992 the INS undertook a concerted effort to upgrade procedures and systems at all levels in order to tighten its control and accountability over fees, fines, debts and other receipts, as well as its own expenditures. These actions were consistent with the goals and objectives of INS' long-term Strategic Financial Management Improvement Plan and initially targeted two high-priority areas, debt collection and asset seizure and forfeiture.



Haitian refugees still on board at dockside.

Photo: Ellen Powers, CRS

With regard to debt collection and management, the INS consolidated all such functions into two administrative centers. This was done to improve management of business debts and immigration bonds and to address problems identified by the General Accounting Office and the Office of the Inspector General. As one dramatic example of improved results, the National Fines Office (NFO) of the INS detained more than 100 commercial vessels in 1992 to ensure payment of delinquent fines. These actions, combined with warning notices to other delinquent carriers, enabled the NFO to collect more than \$1 million in delinquent fines. Prior to the start of the vessel

detention program, these fines had often gone uncollected.

There was also significant progress toward correcting weaknesses in overseeing asset seizure matters. INS' field efforts continue to generate a high volume of conveyance seizures, 20,000 last year alone. A number of improvements were implemented, including increased staff positions for a Headquarters Office of Asset Forfeiture. This new Office was structured to provide sufficient staffing for both financial management and program control over field operations.

During 1992 INS also made consistent progress in improving its many automated systems and their

technical applications. As one specific example, it developed and began implementing an overarching Information Systems Architecture. The practical intent is to modernize support systems by integrating databases, consolidating casework processing systems, and providing a national network for office automation. The ultimate goal of the architecture is to establish an electronic records format for the future and reduce the need for costly and time-consuming paper files and records.

Management and technological improvements were also occurring during 1992 in areas which more directly supported the needs of INS' operational personnel. For example, the Computer-Linked Adjudication Information Management System (CLAIMS), was expanded to all four INS Service Centers in 1992. The CLAIMS system supports the receipt, inventory management, case adjudication, and selected notification processes for applications and petitions. In addition, the INS connected its lookout system with the Interagency Border Inspection System

(IBIS) at 38 more sites during the year, including the training facility at Glynco, GA, making IBIS operational at 98 ports (124 sites) as of September 30, 1992. The IBIS database contains lookout information from more than 20 Federal agencies and provides on-line access to the National Crime Information Center and the National Law Enforcement Telecommunications System.

As a final example, the INS was the lead agency in development of the Advance Passenger Information System. This system is intended to facilitate the interception of known terrorists, criminals, and immigration violators, while also saving time for other air passengers through use of dedicated inspection lanes. During 1992, the average number of daily flights covered under this system increased from 29 to 185, and the average time of immigration inspection per foreign visitor decreased by an average of 22 percent. Management and technological improvements such as these should better equip INS to deal more effectively with its dual enforcement and service mandate.

Chapter V: Civil Rights



President George Bush signing the Civil Rights Act of 1991 on November 21, 1991.

Susan Biddle
White House Photo Staff

One of the Department's major accomplishments during the past year was helping to secure the passage of the Civil Rights Act of 1991. This Act promotes the goals of rid- ding the workplace of discrimination on the basis of race, color, sex, religion, national origin, and disability; ensuring that employers can hire

on the basis of merit without the fear of unwarranted litigation; and ensuring that aggrieved parties have effective remedies. In addition, the Department worked vigorously to enforce existing anti-discrimination laws in such areas as employment, voting, and housing, and played a leading role in promoting improved police- community relations.

Implementing the Americans with Disabilities Act

In 1992, the Department's Civil Rights Division made significant strides in implementing the landmark Americans with Disabilities Act (ADA) of 1990, which provides comprehensive civil rights protection to persons with disabilities. Departmental regulations for state and local governments (Title II) and for public accommodations and commercial facilities (Title III) were prepared for the issuance of final rules, an extensive technical assistance program was established and, as required by the statute, technical assistance manuals for titles II and III were issued and an enforcement and litigation program was commenced. During the latter part of the year, the Department initiated several investigations under its pattern or practice authority granted by Title I of the ADA, which prohibits employment discrimination by state and local governments.

During 1992, the Department received 504 complaints alleging violations of Title III and 563 complaints against state and local governments under Title II. Of the latter, 273 were referred to other designated Federal agencies for investigation and investigations were initiated by the Department with regard to the large majority of the rest. By emphasizing education and negotiation in complaint processing, significant relief has been obtained without the need for litigation.

ADA Assistance

In order to promote voluntary ADA compliance, more than \$3.4 million in technical assistance grant monies was provided to 19 business and disability advocacy groups to support projects designed to educate individuals and covered entities about their rights and responsibilities under the ADA. In addition, an ADA telephone information system answered more than 75,000 calls during the year and, in response to

such calls and written requests, more than 1.75 million technical assistance documents (fact sheets, manuals, and handbooks) were distributed to businesses, architects, persons with disabilities, and other interested parties. Expert speakers were provided at more than 150 conferences nationwide attended by more than 19,000 individuals.

ADA Education

A national conference for law enforcement on complying with the Americans with Disabilities Act was sponsored by the United States Attorney's office in the Western District of Michigan and the Police Executive Research Forum. Held in Grand Rapids, Michigan, the conference pulled together top policy-makers and experts to provide law enforcement officials with information on their responsibilities under the ADA. At the conference, participants attended workshops and plenary sessions examining the Act's provisions affecting most law enforcement agencies as well as examining strategies for compliance. Topics discussed include evaluating, hiring, and promotion policies; law enforcement's response to people with disabilities; and services and accessibility for people with disabilities.

The FBI also performed a critical role in the education of law enforcement officers about ADA. Throughout 1992, the FBI provided instruction on the Act to more than a thousand law enforcement managers and executives through the FBI National Academy as well as at meetings such as the International Association of Chiefs of Police Convention. Instruction on this subject was also provided, at each session of the FBI National Law Institute and other professional meetings, to lawyers who advise law enforcement agencies.

Voting Rights Enforcement

The Department continued its efforts to assure minorities a fair opportunity to elect candidates of their choice to public office through its administrative review of voting changes under Section 5 of the Voting Rights Act, as well as through litigation. During 1992, 21,454 voting changes were submitted for review, the largest number of changes ever submitted in a fiscal year. Among these voting changes were 1,254 redistricting plans, also the most ever in a fiscal year.

The Attorney General interposed Section 5 objections to 16 statewide redistricting plans: Alabama (Congressional), Arizona (house and senate), Florida (senate), Georgia (house, senate, and Congressional), Louisiana (Board of Elementary and Secondary Education), Mississippi (senate), New Mexico (senate), New York (assembly), North Carolina (house, senate, and Congressional), and Texas (house and senate). Objections also were interposed to 49 local redistricting plans, including plans for Houston, Texas, 11 Texas counties, and three Texas school districts; 16 Louisiana parishes; nine Mississippi counties; two South Carolina towns and two South Carolina counties; two Arizona counties; and one county each in Alabama, California, and Virginia.

The Department's Civil Rights Division filed 22 new voting rights lawsuits in 1992. Significant activities included:

- Filed suit against the State of Florida to assure that both the state senate and house redistricting plans would provide blacks and hispanics fair opportunities to elect candidates of their choice to the state legislature.
- Filed suit against the North Carolina Republican Party, the Helms for Senate Committee and other defendants who had sent postcards to about 125,000 voters, 97 percent of whom were black,

falsely informing them about the rules governing eligibility to cast ballots. This information was combined with a warning concerning criminal penalties for voter fraud.

Fair Housing Enforcement

During 1992, 81 new lawsuits were filed under the Fair Housing Act, including 18 pattern or practice cases. This was a near record number of new case filings which reflects the expanded enforcement authority provided by the 1988 amendments to the Act. Consent decrees were entered in 74 pending cases and litigated judgments were obtained in 12 cases.

Two major fair housing initiatives were commenced this year. The Department began its own program of "testing" to detect unlawful discrimination and also increased its efforts to detect and challenge discrimination in mortgage lending. For the first time the Department began conducting its own tests in the sale and rental of housing, using as testers Departmental personnel and outside fair housing organizations. This program is taking place in many areas of the country and already has generated lawsuits challenging unlawful practices.

In the area of mortgage lending, a ground-breaking pattern or practice race discrimination lawsuit was filed against Decatur Federal Savings and Loan Association, one of the largest originators of home mortgages in the Atlanta, Georgia, area. In the first such lawsuit under the Fair Housing Act and Equal Credit Opportunity Act, the Department negotiated a precedent-setting consent decree with the lender that includes \$1 million in damages for 48 black victims of discrimination. The lender also agreed to major changes in its marketing, branching, and advertising activities. Using the Decatur Federal case as a model, the Department has engaged in a series of meetings with the Federal

financial regulatory agencies to develop a coordinated approach to investigating possible mortgage lending discrimination in major cities throughout the country.

In another far-reaching enforcement initiative in the area of public housing, a pattern or practice lawsuit was filed against the New York City Public Housing Authority (NYCPHA), the largest public housing authority in the country. The suit alleged that the NYCPHA, which owns and operates more than 300 projects housing approximately 500,000 people (nearly eight percent of New York City's population), had for many years steered minority applicants away from predominantly white projects in the City's five boroughs. A consent decree was filed with the complaint and includes a broad general injunction and a detailed new tenant selection and assignment plan to ensure against any future discrimination in tenant selections and assignments.

To compensate the victims of discrimination, the NYCPHA is required to set aside a total of 1,990 future apartment vacancies at the 31 projects where the unlawful steering allegedly occurred and to pay the victims' moving expenses. An additional 200 Section 8 housing assistance vouchers also will be provided to victims who now wish to move into apartments outside the conventional public housing system.

Police-Community Relations

The problem of police misconduct was catapulted into national prominence following the dramatic video of the beating of motorist Rodney King in Los Angeles last year. The officers charged in the King case were acquitted in April 1992, sparking large-scale rioting in the Los Angeles area. The Department played a major role in helping Los Angeles to recover from this civil unrest.

The day after the state court acquittals of the officers charged in the Rodney King beating the Associate Attorney General announced the designation of a team of Federal prosecutors from the Civil Rights Division and the United States Attorney's Office for the Central District of California, assisted by agents from the FBI, to collect and review the evidence to assess the potential for a Federal prosecution. As a result of an intensive Federal grand jury investigation, the same four Los Angeles Police officers were indicted on Federal criminal civil rights charges.

The Department's Community Relations Service (CRS) provided mediation and conciliation services to the many communities affected by the riots. Operation Repair and Rebuild was a critical component of the Presidential Task Force organized to assist in the rebuilding efforts, and assisted local law enforcement agencies, government officials, and community leaders in the process of addressing the increased tensions that resulted from the disturbances.

In addition, CRS staff, working closely with the Federal Emergency Management Agency's Disaster Application Centers when they opened to assist riot victims, provided liaison services between the centers and Black, Hispanic and Korean riot victims. Further, CRS staff served as a key link between gangs and law enforcement, enlisted the support of community leaders, identified and built common denominators between the parties, and provided recommendations to officials for supporting these efforts. CRS maintained a presence throughout the Los Angeles area as many groups held demonstrations and counter demonstrations to voice their concerns and dissatisfactions, or protest disaster services, discrimination in the rebuilding process, and racial issues. CRS also assisted the Los Angeles Unified School District in developing and training crisis response teams in its schools.

The aftermath of the King case resulted in a substantial increase in the Department's investigations of police misconduct. Forty-five grand jury investigations

into incidents of official misconduct were initiated in 1992, almost doubling the number of such investigations in the year before the King incident. As a result, 27 official misconduct cases were filed charging 59 law enforcement defendants with violations of the Federal criminal civil rights laws that proscribe the intentional deprivation of individually guaranteed rights by those acting under color of law. These cases included:

- A Los Angeles police officer was convicted of the beating of a juvenile Mexican national, who was severely injured after he tried to hide from the defendant who was trying to arrest him.
- Seven North Carolina police officers, three of whom have already pled guilty, were charged with physically abusing homeless individuals arrested for public intoxication by beating them and pouring cooking oil and hot coffee on them.
- In three other separate cases, Federal law enforcement officers (an INS detention officer, a Border Patrol agent and a Federal Protective Service Officer) were indicted for assaulting arrestees while they were being detained. Two of them have pled guilty.

Improving Police-Community Relations

The Rodney King incident highlighted the need to improve the relationship between law enforcement officers and the communities they serve. In 1992, CRS entered into an agreement with the Hispanic American Police Command Officers Association (HAPCOA) to address racial and ethnic conflict and improve relationships between Hispanic communities and local police departments. Under this agreement CRS and HAPCOA provided training to Hispanics who were recent arrivals in the United States and served in a liaison

capacity with police agencies in areas such as the District of Columbia, Chicago, Houston, and Miami.

CRS also was very active in Operation Weed and Seed, often serving as liaison between governmental agencies and the communities in which the program would be implemented. These activities augmented CRS' on-going assistance to police departments across the United States.

The Office of Justice Programs (OJP) is also involved in efforts to improve police-community relations. Through the Interagency Agreement for Community Policing in Public Housing between OJP's Bureau of Justice Assistance (BJA) and the Department of Housing and Urban Development (HUD), the two agencies will develop and conduct training and technical assistance to institute community policing in public housing developments in Weed and Seed sites.

The OJP's National Institute of Justice (NIJ) is providing police departments with practical information to encourage establishment of community policing. During 1992, NIJ projects in Seattle, Washington, and Madison, Wisconsin, reviewed strategies for managing effective community policing and maintaining citizen involvement and support. In South Seattle, NIJ research found that community policing reduced crime and fear. Its success led citizens to vote to expand the approach citywide. In Madison's Experimental Police District, police established storefront substations staffed by beat officers near community centers in lower income housing complexes on the city's south side. Burglaries were reduced in the experimental district, and citizens expressed greater satisfaction with police and greater feelings of safety.

In addition, NIJ is producing a national directory of community policing, as well as case studies providing in-depth reviews of selected community policing programs. The Institute has provided training in the approach, including regional seminars for police and municipal officials and a biannual newsletter. Working

with the International Association of Chiefs of Police, the Institute is developing new curricula for departmental training.

Finally, the FBI's "Safe Streets" strategy includes a community outreach program designed to create a stronger partnership between law enforcement and community leaders in fighting violent crime. As part

of this approach, the FBI is currently participating in numerous programs with law enforcement agencies and community organizations. Among these successful programs are Adopt-a-School, Junior G-Men, the Mentor Program, and community outreach afternoon programs.

Chapter VI: Civil Justice

The Department moved aggressively during 1992 in civil justice litigation to protect citizens' interests in areas such as Federal compensation programs, environmental protection, and preservation of competition in the Nation's business sector. In addition, the Department took an active role in civil justice reform. Throughout 1992, the Department endeavored to implement coordinated reform of the civil justice system. A Memorandum of Preliminary Guidance was issued concerning conduct of government attorneys. Changes to the Federal Rules of Civil Procedure, including changes to limit abusive discovery and to expand inquiries into the qualifications of expert witnesses were proposed. Furthermore, the Department prepared Federal legislation, namely the Access to Justice Act, in order to enact various reforms such as the "Fairness Rule" covering the award of attorneys' fees in diversity cases, the giving of notice prior to the filing of suit, and the greater use of alternative dispute resolution mechanisms.

Defense Against Unwarranted Claims

The Department championed the interest of the United States Treasury, defending the tills against unwarranted claims by individuals and companies. The Civil Division defeated a total of \$9.7 billion in claims. Noteworthy among the defeated claims were:

- A \$2 billion claim by the Boeing Corporation involving a Saudi Arabian foreign military sales contract dispute
- More than \$1 billion in third party tort claims by asbestos manufacturers — nearly concluding this decade-long, multi-billion dollar litigation

- A \$500 million claim by owners of the now-failed Lincoln Savings and Loan that the action of Federal regulators taking over the then-failing S&L made the Government liable for their losses
- Approximately \$200 million in third-party tort claims by Pan American Airlines alleging that the CIA or the DEA was responsible for the December 1988 bombing of Pan Am Flight 103 over Lockerbie, Scotland
- An attempt by bondholders of defunct nuclear power plants to shift an estimated \$1 billion of costs in defaulted construction bonds to the Bonneville Power Administration

Administration of Compensation Programs

The Department's role as administer of justice includes the implementation of the multi-billion dollar Childhood Vaccine Injury and Radiation Exposure Compensation programs. Review of claims, administration of payments from established trust funds, and any associated litigation are handled by the Civil Division. During 1992, the Civil Division achieved impressive accomplishments in these areas.

The Civil Division obtained resolutions in approximately 430 claims petitioning the Secretary of Health and Human Services for damages under the National Childhood Vaccine Injury Program. Damages were awarded one-third of the time, for a total of approximately \$97 million. The Civil Division's defense of these cases helped ensure that the trust fund was administered in a fair and evenhanded way, protecting the U.S. Treasury against several hundred million dollars in unwarranted claims.

The Division initiated administration of the Radiation Exposure Compensation Program which provides lump sum humanitarian payments to persons who developed certain diseases following exposure to radiation from atmospheric nuclear weapons testing or underground uranium mining. Final regulations implementing the Program were developed by the Civil Division and became effective in May 1992. In the remaining five months of the fiscal year, more than 1,800 claims were received. Of these, 343 claims valued at more than \$26 million were approved.

In addition, the Civil Division defended a series of interpretive rulings and instructions issued by the Social Security Administration to expedite the processing of benefits claims associated with HIV-related illnesses, allowing the involved agencies to respond with the flexibility and promptness warranted by the rapid expansion of scientific knowledge and criticality associated with such illnesses.

Protecting the Environment

1992 marked the fourth straight billion dollar year for the recovery of civil penalties, court-ordered defendant cleanups, cleanup cost recoveries and natural resource damages by the Department's Environment and Natural Resources Division.

A number of notable settlements under Superfund were achieved during the year, including the completion of a \$109 million settlement to restore New Bedford Harbor, Massachusetts and clean up PCB contamination, and a \$120 million settlement with the Ciba-Geigy Corporation in which the company agreed to clean up the soil contamination near its chemical manufacturing plant in Alabama.

Superfund was not the only environmental statute that produced notable results in 1992. A major initiative was launched, in conjunction with the



Senator Orrin Hatch presents a \$100,000 check to George Snow, the son of a uranium miner who died of lung cancer. The payment check was the first under the Radiation Exposure Compensation Program.

Source: Senator Orrin Hatch

Environmental Protection Agency, against the pulp and paper industry, the metal manufacturing and smelting industry, and the organic chemical manufacturers.

Thirteen civil judicial and nine administrative actions and settlements against 23 facilities in 16 states were announced to redress patterns of industrywide non-compliance. The Department also launched an enforcement initiative against benzene, in which a series of civil judicial and administrative enforcement actions were filed in order to protect human health from this known carcinogen.

In addition, the Department successfully defended the space program from efforts to halt the Galileo mission stemming from specious environmental claims and EPA from challenges to its regulations governing discharges from the organic chemicals, plastics, and synthetic fibers industries.

Preservation of Competition

To protect American consumers, the Department's Antitrust Division has moved aggressively against price fixing and bid-rigging, and has taken steps to block merger transactions that threaten to lessen competition. The Department has also taken an active role in opening competitive markets overseas and eliminating conditions that may impede U. S. companies from competing in the global economy.

In April 1992 the Department and the Federal Trade Commission (FTC) issued the 1992 Horizontal Merger Guidelines. The 1992 Guidelines are the first-ever joint enforcement guidelines issued by the two Federal agencies with concurrent responsibility for Federal merger enforcement. Under the new joint guidelines, the Department and the FTC will be applying identical standards in the review of mergers, thereby increasing enforcement consistency and reducing uncertainty in business planning. The new Merger Guidelines continue the movement away from wooden

application of structural criteria and toward analytical standards that account more accurately for real-life conditions in affected markets.

Major Merger Investigations

Economic forces have been causing a significant consolidation of productive resources in the U.S. banking industry the past several years. The Department plays a major role in the Federal approval of bank mergers and, where necessary, it challenges transactions that are likely to result in anticompetitive markets. In 1992, the Department reviewed more than 1,600 bank mergers or acquisitions.

After a six-month investigation of BankAmerica's acquisition of Security Pacific, in February 1992, the Department agreed to a divestiture of 211 branches in five states, more than \$8.8 billion in deposits, and more than \$2.7 billion in loans. In March 1992, the Department filed a civil antitrust suit challenging the proposed merger of the Society Corporation and Ameritrust Corporation, two Cleveland, Ohio, bank holding companies. A proposed consent decree was filed at the same time that required the parties to divest themselves of more than 20 branch offices, more than \$1 billion in deposits, and more than \$40 million in loans to small businesses in the region.

The aviation industry also is undergoing consolidation, and the Department has taken decisive steps, where necessary, to ensure that mergers and acquisitions by the Nation's airlines do not create anticompetitive conditions.

Civil Enforcement Actions

In February 1992, the Department filed a civil antitrust suit charging the Massachusetts Allergy Society, Inc. and four doctors with conspiring to fix

and raise fees paid for allergy services by certain health maintenance organizations in Massachusetts. A consent decree was filed to settle the suit that prohibits the defendants from conspiring to use the Society as a joint negotiating agent to obtain higher fees from certain HMOs for allergy services, from resisting competitive pressures to discount fees, and from developing and adopting a fee schedule for the Society to use in negotiating higher fees from the HMOs on behalf of its members.

Also, the Department filed a civil antitrust suit charging the Hospital Association of Greater Des Moines and five of its member hospitals with entering into agreements to restrict advertising of hospital services. At the same time, the parties filed a proposed consent decree to settle the suit and ensure that each hospital will independently determine its policy with respect to advertising (including the amount, terms and content of such advertising), thereby aiding consumers in obtaining quality services at reasonable prices.

International Activities

On April 3, 1992, the Department of Justice announced that it would no longer refrain from challenging foreign cartels whose activity harms U.S. export trade. The new policy is consistent with the statutory language of the Foreign Trade Antitrust Improvement Act of 1982. The new policy marks a return to the successful policy held by the Department until 1988, when a footnote in the Department's 1988 Guidelines for International Operations suggested that the Department would not enforce the U.S. antitrust laws against foreign cartels unless they harm U.S. consumers.

On another front, the Department and the Federal Trade Commission continue their joint program to provide legal and economic assistance to the new competition agencies of governments in Eastern and Central Europe. The program provides for short- and long-term missions by lawyer/economist teams. These teams provide, upon request, technical assistance to regulatory, competition and privatization authorities in each country.

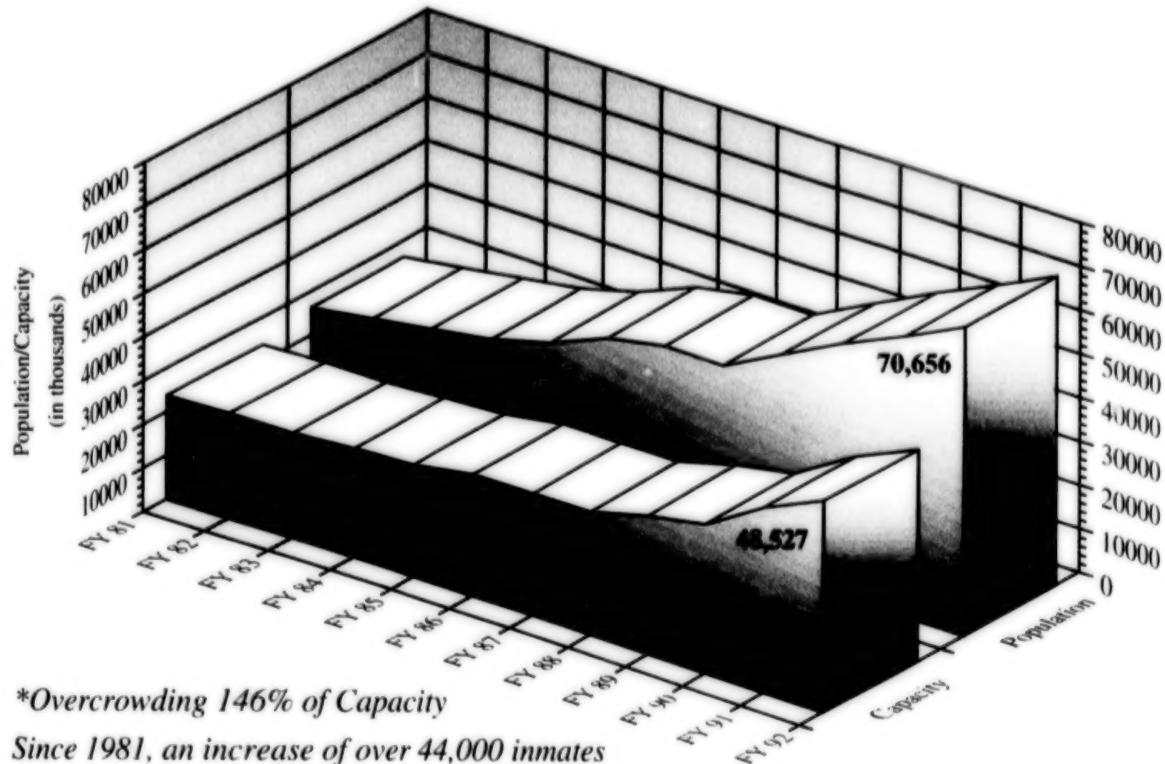
Chapter VII: Prisoner Detention, Handling

The Department is charged with providing secure, safe and humane care for individuals placed in the custody of the Attorney General. The United States Marshals Service (USMS) is responsible for the custody of prisoners awaiting trial or sentencing. The Immigration and Naturalization Service (INS) detains and repatriates illegal and criminal immigrants. The Bureau of Prisons (BOP), which manages the Federal prison system, serviced a record 70,000 inmates in 1992, an increase of more than 6,000 from 1991. The burgeoning inmate population continues to present management challenges to the Department.

Pre-Sentencing Detention of Federal Prisoners

The acute shortage of bed space in local jails remained an important issue in many areas of the country in 1992. The USMS had a daily average of 20,000 prisoners in custody, an increase of almost 4,000 from 1991. Prisoners in Marshals Service custody usually are being held for trial, hearings, sentencing, or transfer to Federal prison. The high numbers of prisoners held under state and local charges, however, forced local jails to restrict and sometimes terminate jail space for Federal prisoners. As in 1991, the shortage of bed space was especially severe in the Northeast region.

Inmate Population and Capacity - FY81 through FY92*



Source: Bureau of Prisons

Weekly USMS National Prisoner Transportation System

System airlifts continued to transport prisoners from this area to available detention space in the Southwest.

The Cooperative Agreement Program (CAP) is an essential component of the Marshals Service effort to alleviate the jail space shortage. Under the CAP program, the Marshals Service provides funds to state and local governments for jail construction or renovation in return for guaranteed detention space for Federal prisoners. Since the start of the CAP program in 1982, 75 districts have been provided with a total of 6,953 guaranteed prisoner bed spaces. During 1992, 11 CAP agreements were awarded, for a total cost of more than \$5.3 million. These awards increased bed space by 302 units.

Both the BOP and INS were successful in their efforts for constructing or opening detention facilities. During 1992, 8,260 funded beds were under some phase of development or construction, including new facilities in Miami, Florida and Brooklyn, New York, which will be used primarily for pretrial activities. The BOP activated new facilities in Fort Worth, Texas and Tallahassee, Florida, and obtained funding for two additional detention units which will accommodate 1,250 prisoners. The INS increased the capacity of its Service Processing Center (SPC) in San Pedro, California, from 400 to 575 beds in 1992, and began construction on a 200-bed expansion and 20-bed maximum security unit in El Centro, California. The expansion of the Federal Detention Center (FDC) in Oakdale, Louisiana, was completed, and INS quickly filled the facility to the level approved by the BOP with criminal aliens whose immigration hearings in state and local prisons had not been completed before their sentences expired.

Prisoner Handling and Transportation

In 1992, the Marshals Service scheduled and supervised more than 180,000 prisoner movements nationally, an increase of 20 percent over 1991. This was the largest percentage increase in the history of the National Prisoner Transportation System. Of the total prisoner movements, more than one-third were by the Service's jet aircraft. The other prisoner movements were by bus, van, automobile, and commercial aircraft.

The Marshals Service's expertise in conducting large scale prisoner movements resulted in significant cost savings and efficiencies for the Service and for other Federal agencies such as INS and the United States military whose prisoners are often transported by the Marshals Service. Although the Marshals Service was required to move some prisoners on commercial airliners to meet extreme deadlines, a Service-developed centralized ticketing program saved more than \$2 million. This program also saved more than \$1 million by providing ticketing for all Deputy Marshals traveling on special assignments.

In a unique pilot program, a video conferencing system was installed between the U.S. Court House, Northern District of Florida, Tallahassee, and the Federal Detention Center in Tallahassee to be used for pre-trial court proceedings. The system will reduce the number of prisoner movements to and from court by U.S. Marshals, which is expected to enhance both pre-trial cost efficiencies and safety to the community and to U.S. Marshals Service personnel.

In 1992, the INS repatriated more than 280 Mariel Cubans aboard INS aircraft, and initiated repatriation flights of criminal aliens to Jamaica. INS aircraft and buses, as well as the National Prisoner Transportation System, were used to move large numbers of criminal aliens to the Oakdale FDC as its capacity was increased. Scheduled INS bus routes from northern locations were successfully used to move large numbers of aliens to the border area for removal.

Post-Sentencing Activities

The BOP continues to develop new strategies to manage the ever-expanding prison population. In 1992, the strategy included expansion of the prison system, along with provision of a variety of correctional options and programs.

System Expansion

The BOP continued the largest expansion program in its history in 1992. During the year a total of more than 33,500 funded beds for sentenced offenders were under some phase of development or construction. The BOP opened facilities in Manchester, Kentucky and Florence, Colorado, and expanded facilities in Georgia, Louisiana, North Carolina, Texas and California. These projects added 2,719 beds to the BOP capacity in 1992.

Congressional funding was approved for new construction projects which will add almost 3,600 beds to this increasing capacity. Included are secure facilities in Edgefield, South Carolina and Pollock, Louisiana, and a minimum-security facility for females in Scranton, Pennsylvania.

A major objective of the BOP is to continue to expand the capacity of the Federal Prison System to keep pace with projected increases in the inmate population and to simultaneously reduce the pressure of inmate overcrowding. Inmate population in the Federal Prison System was at a 46 percent overcrowding rate in September 1992. This represents a reduced rate from 1991, when the overcrowding rate hovered around 60 percent. The reduced overcrowding rate is the result of capacity increases and a change in the way the BOP calculates rated capacity in medium security prisons.

Correctional Options

The BOP continues to offer a variety of correctional options in an effort to reduce the number of repeat offenders. The most recent recidivism information on Federal inmates released in 1987 reveals a rearrest rate of 39.3 percent after 3 years in the community. This rate is an improvement over the average rate of 42.2 percent from the three prior Federal offender studies in 1978, 1980, and 1982.

Community Corrections Programs

Community corrections programs provide viable alternatives to prison incarceration for certain Federal offenders. Community Corrections Centers (CCC) continued to provide temporary residence, job placement assistance, counseling and drug/alcohol testing and monitoring in 1992. Participating CCC offenders are asked to reimburse the Federal government for subsistence costs, and made payments totaling \$8.3 million in 1992, an increase from \$7.6 million in 1991.

The Urban Work Cadre (UWC) program is a vital component of community corrections efforts. UWC participants are low-risk offenders who are selected to spend the last 18 months of their sentences at a community corrections center. During the first 12 months of this period, 168 inmates provided labor for the Army, Navy and Air Force, as well as the National Forest Service, the Veterans Administration and the National Park Service.

Cooperative efforts between the BOP, the U.S. Probation Service, and the U.S. Parole Commission have led to the establishment of the Parole Violator Sanction Program. This joint program is currently operating at Community Corrections Centers (CCC) in the District of Columbia, and Baltimore, Maryland. The program is designed to target individuals under supervision of the U.S. Probation Service who become

involved in technical violations and who pose minimal risk to the community. These offenders are placed in this program in lieu of being returned to prison. The unique nature of this program is the assignment of a full-time U.S. Probation Officer on-site at the respective CCC.

Intensive Confinement Centers

On July 13, 1992, the Bureau established the first Intensive Confinement Center (ICC) for female offenders on the grounds of the Federal Prison Camp at Bryan, Texas. The ICC is a minimum-security facility designed to house 120 inmates. The program consists of a due-process system of discipline, a strict daily regimen of physical conditioning, labor-intensive work assignments, adult basic education, secondary education, vocational training, drug and alcohol counseling, life-skills training, nutrition, and other counseling courses designed to prepare inmates for successful return to community life after completion of their sentences.

The Bureau's ICC at Lewisburg, Pennsylvania, continued to offer a specialized program that provides a workable balance between a military boot camp and traditional values of the Bureau. Exit interviews show that inmates have had very positive experiences, and staff report the same. As of August 31, 1992, 273 inmates (representing six classes) had graduated from the ICC to the community phase of the program.

Drug Treatment Programs

The Bureau continued to expand drug abuse programs for confined offenders, spending about \$21.5 million for drug abuse treatment during 1992. More than 10,000 inmates participated in the Bureau's Drug Education Program, nearly 12,000 participated in non-

residential drug counseling programs, and more than 1,000 completed residential drug-abuse treatment programs. In addition, 16 new institutions implemented residential drug-abuse treatment programs. Currently, 31 institutions have such programs.

Federal Prison Industries

Federal Prison Industries (trade name UNICOR) employs and trains inmates to prepare them for release, and keeps them productively occupied, contributing to the safe and orderly management of Federal correctional institutions. At the end of 1992, UNICOR employed approximately 15,000 inmates, about 23 percent of the Bureau's rapidly expanding population. Inmates at 88 factories in 47 correctional institutions manufactured a wide range of products from furniture to electronics and performed such services as data entry and printing. 1992 sales topped \$417 million, up from \$395 million in 1991. To meet this rapid expansion, UNICOR and the Brookings Institution sponsored a series of task force meetings in 1992, attended by leaders in the fields of government, labor and private industry. The task force examined the role of UNICOR within the correctional system; the benefits prison industries programs have on society; the impact prison industries have on post-release success rates; and the expansion of these programs to meet the increase in prison populations without undue impact on the private sector. The findings of the task force will be issued in 1993.

Inmate Financial Responsibility Program

The Inmate Financial Responsibility Program (IFRP) operated by the BOP, in cooperation with the Administrative Office of the U.S. Courts and the U.S. Attorneys' Offices, provides a systematic method of collecting court-imposed fines, fees and costs that

remain unpaid. During 1992, the IFRP collected almost \$11.5 million. Of the 21,381 inmates identified as having a court-ordered financial obligation, 18,815 (88 percent) are making payments toward these obligations and more than 32,957 inmates in the BOP's custody have satisfied their financial obligations.

Assistance to State and Local Governments

Several state and local governments received correctional options program demonstration grants from the Office of Justice Program's Bureau of Justice Assistance (BJA) in 1992. The Florida, Maryland and New Hampshire Departments of Corrections and the Alameda County, California, Probation Department are developing and implementing programs incorporating a wide range of correctional options for youthful offenders. These include community based incarceration, weekend incarceration, electronic monitoring, and

intensive probation combined with educational, drug treatment, job training, and health services.

Through an interagency agreement with the Office of Juvenile Justice and Delinquency Prevention, the National Institute of Corrections Academy is providing training and training-related technical assistance to practitioners working in juvenile corrections. Eight states and the District of Columbia received this assistance, and more than 240 practitioners participated in Academy seminars and national workshops.

In addition, the Cook County, Illinois, Sheriff's Office, the St. Louis, Missouri, Medium Security Institution, and the Kentucky Department of Corrections are implementing boot camp prison programs with BJA funding. Two previously funded boot camps—one in Springfield, Illinois, and another for female offenders in Taft, Oklahoma—continued during the year with BJA funding. BJA also is providing training and technical assistance to state and local agencies in this area.

Chapter VIII: Management Improvements

Over the past decade, the role of the Department of Justice in enforcing the Nation's laws has expanded greatly. With these added responsibilities have come increased staff and resources. Managing the Department's complex and extensive operations presents a major challenge. In 1992, the Department continued to make strides in a number of key management areas including worklife, debt collection, asset seizure and forfeiture, technology and oversight.

Workforce 2000

Increasing the diversity of the Department of Justice was identified as one of the Department's major objectives. All components were required to maximize efforts to increase the number of women, minorities, and disabled persons in all job categories, particularly in high level and policy making positions. The achievement of a diverse workforce is one of the best ways to send a clear signal to minorities and women in America that our government is one which aims to enforce fairly its laws and the basic human laws of fairness and decency. Moreover, the Department's ability to discharge its mission is often largely dependent upon cooperation from the public. Public cooperation is usually determined by the level of confidence it has in the integrity of the organization.

Diversity of Workforce

The Department's total staffing is more than 90,000 employees. Of that number 40% are women, 18% are Blacks, 9.7% are Hispanics, 2.0% are Asian American, 0.5% are American Indians. In addition, of 6,859 attorneys, one-third are women, 4.6% are Black,

2.6% are Hispanic, 1% Asian-American, and 0.2% are American Indian. These figures meet or exceed the average availability of these groups in the law school graduating classes over the last 5 years.

During 1992, component managers attained this level of diversity by following priority objectives established by the Attorney General to:

- host meetings of minority Bar Associations and representatives of attorneys with disabilities to discuss employment opportunities.
- convene a Department-wide conference on Equal Employment Opportunity with the active involvement of senior Justice officials.
- arrange for the law enforcement components to jointly conduct a series of Job Fairs on the campuses of women's colleges.
- schedule a number of Job Fairs on college campuses that attracted significant numbers of minority applicants.
- increase opportunities for all employees to advance to the level of their highest potential.

Worklife Issues

The Department of Justice recognizes the importance of providing managers with appropriate tools to assist employees in balancing professional and personal priorities. The Department considers the Worklife Program one of those critical tools.

During 1992, the Department realized three important goals of the Worklife Program. First, the Department's first Washington, D.C., child care center opened its doors to children. The center, Just Us Kids, was the culmination of years of effort by both employees and managers within the Department. The center can

accommodate 70 children on a full time basis, with another 20 spaces reserved for the summer camp and occasional care programs.

Second, the Department continued to increase the information available to employees at the worksite on worklife issues. In April 1992, the Department launched a lunchtime speaker series with presenters who are knowledgeable on a wide variety of topics related to both personal and professional interests of employees.

Third, the creation of a Manager's Guide to Human Resource Management, a comprehensive desk-top reference to help supervisors navigate the difficult waters of changing expectations, was completed. The guide, which is being distributed to managers and supervisors within the Department, offers practical assistance to managers in helping employees balance the competing demands of work and family while enhancing the efficiency of agency operations. The guide will expand understanding of the Worklife Program and cement the gains that have already been achieved.

Debt Collection

The Department continues to face the growing cost of attacking violent crime, reducing the influence of organized criminals, and dismantling drug organizations. An integral part of its enforcement strategy is to collect debts owed to the Federal government. In 1992, the Department collected \$862 million, the largest amount of cash ever collected in a single fiscal year since the Department began keeping such statistics in 1982.

Debt Collection

The Office of Debt Collection Management (DCM) coordinates collection activities of Department

components. The DCM, in cooperation with the Executive Office for U.S. Attorneys (EOUSA), installed an automated system to run a current credit report on every individual debtor whose debt was referred to the Nationwide Central Intake Facility. These credit reports were forwarded to the U.S. Attorney, or the private counsel, to whom the debt was referred for litigation, to help locate the debtor and evaluate the debtor's ability to pay the debt.

In addition, the Debt Alert Interactive Voice Response System (DAIVRS) was instituted by the DCM to meet the debarment provision of the Federal Debt Collection Procedures Act of 1990. This provision restricts extension of credit by a Federal agency to any debtor against whom a judgment has been entered for a debt to the United States. DAIVRS is a database of judgments entered in lawsuits against Federal debtors by U.S. Attorneys' Offices and private counsel and is accessed by agency loan officers using a touch-tone telephone.

The U.S. Marshals Service began a one-year financial litigation pilot project in seven U.S. Attorney districts to identify, clear, and recover debts owed the U.S. by using Judgment Enforcement Teams. In the first four months, the pilot districts closed 158 cases involving \$5,549,524 and collected \$1,428,630. For every dollar expended on this pilot effort, the Marshals Service investigators collected \$5.76.

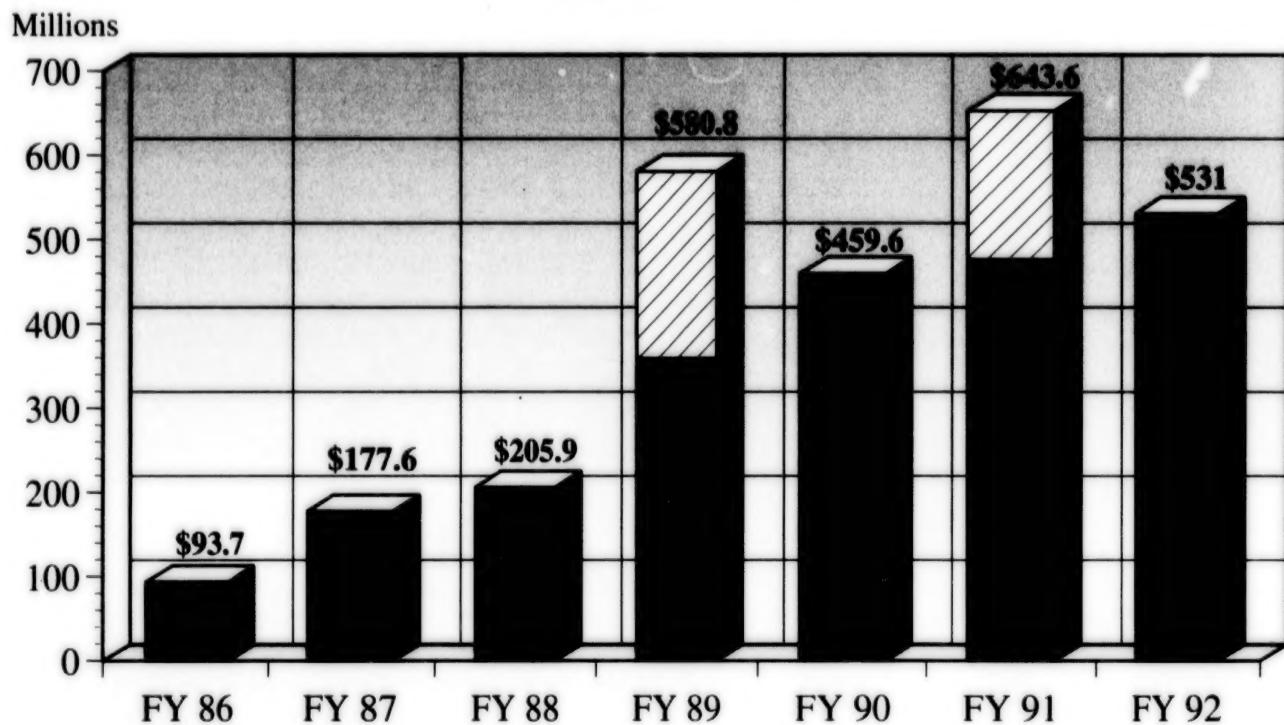
Recovering debts often achieves important societal value. When debts from the Department of Education (DOE) are collected, the dollars go back to DOE to support more student loans. For physicians who default on their Public Health Service loans, the primary concern is to get them to fulfill their obligation to provide medical services in disadvantaged areas of the country. Collections from cases involving financial institution frauds reduce the burden on the taxpayer. Collections of criminal fines, restitutions, and special assessments go directly to the Victims Assistance Fund, providing monetary assistance and social services to victims of crime.

During 1992, deposits into the Crime Victims Fund as a result of the collection of criminal fines and penalty assessments substantially exceeded the ceiling of \$150 million. More than \$205 million was deposited into the fund in 1992 which is the largest amount ever accumulated in the fund. This assures that a maximum number of victims will benefit from services made available through the Crime Victims Fund.

Asset Seizure and Forfeiture

Asset forfeiture has become an extremely effective and powerful tool in the Department's fight against organized crime, drug trafficking, and money laundering. While forfeiture is as old as our nation, its current scope was widened with the passage of the Comprehensive Crime Control Act of 1984. The ability of the government to remove the proceeds of crime

Department of Justice Assets Forfeiture Fund Income



FY 89 includes \$222M from the Drexel Burnham Lambert case. FY 91 includes \$176.3M from the Michael Milkin case.

Source: Executive Office for Asset Forfeiture

from individuals and destroy the economic infrastructure of criminal organizations is an essential law enforcement tool. The Executive Office for Asset Forfeiture coordinates the asset forfeiture program among the various interdepartmental participating agencies. As the program has matured, so has the government's obligation for responsibility and accountability. The Department recognizes the responsibility to operate the program in a manner that maximizes the law enforcement effects along with collateral economic return to the government. The Department simultaneously recognizes the need to protect the legitimate interests of innocent third parties.

During 1992, a record number of properties were seized totaling 32,463 at an estimated value of \$1.8 billion. In addition, a total of \$531 million in cash and proceeds was deposited into the Department of Justice's Assets Forfeiture Fund. (This figure does not include assets from the Bank of Credit and Commerce International (BCCI) and McNamara cases mentioned in the following paragraphs.) Of the \$531 million forfeited, \$230 million was shared with state and local law enforcement agencies that participated in the joint investigations with Federal agencies that led to asset seizures and forfeitures. Several state or local agencies received transfers exceeding \$1 million in individual cases. An additional \$12.5 million worth of real and personal property was transferred to state and local agencies for use in future law enforcement efforts. After payment of statutorily authorized expenses, the fund produced a surplus of more than \$130 million. This surplus is available to pay initial program costs for FY 1993, for use by the Office of National Drug Control Policy, and for use by other Federal agencies for expenditures related to their law enforcement, prosecutive, and correctional programs. In 1992, the program invested cash balances from both the Assets Forfeiture Fund and the Seized Asset Deposit Fund in government securities. These investments resulted in earnings of \$21.3 million during the year.

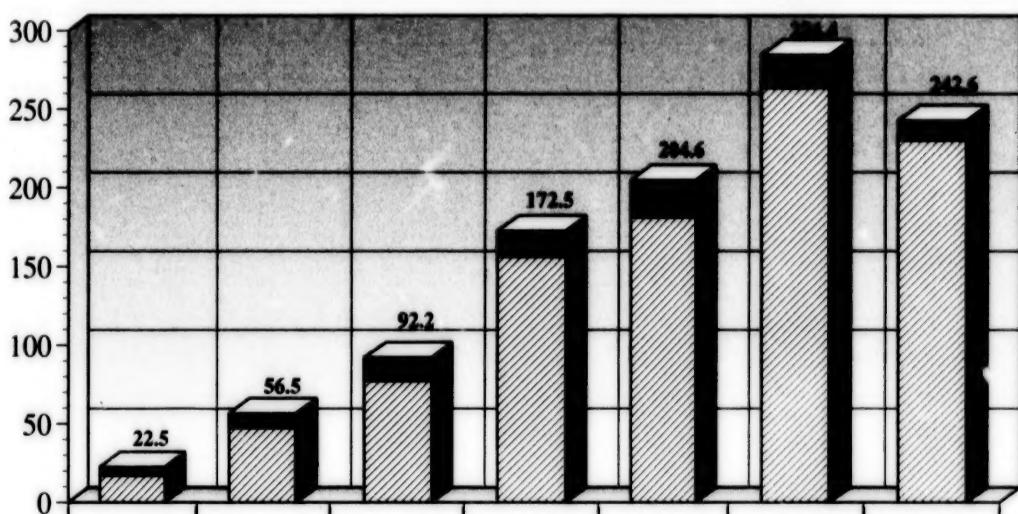
The largest criminal forfeiture to date was achieved in January 1992, when a preliminary order of forfeiture was issued for all of the domestic assets of BCCI and three related corporations. About \$350 million has been seized to date. An order to preliminarily forfeit an additional \$93 million belonging to another corporation alleged to be part of BCCI was obtained later in the year. The forfeited assets are to be used to pay the claims of victims of BCCI's fraudulent activities, fifty percent in this country, fifty percent elsewhere in the world. Since their issuance, the Department has been defending the orders against claims by third parties alleging a priority as to the assets. Such litigation may continue for several more years before there is a final forfeiture order issued.

In one of the largest civil forfeiture cases ever brought, the government entered into a settlement agreement with John McNamara, a Long Island auto dealer, who defrauded General Motors Acceptance Corporation of approximately \$435 million by falsely representing the number of vehicles in his possession and then obtaining loans from General Motors. Under the terms of the settlement agreement, McNamara agreed to forfeit approximately \$400 million to the United States, an amount equaling virtually his entire remaining assets. The proceeds of the forfeiture will be transferred to the victims of the fraud.

During 1992, the Department continued to promote international forfeiture cooperation and asset sharing with its international law enforcement partners. The success of this initiative was manifested through the negotiation of bilateral agreements providing for forfeiture cooperation and asset sharing. Under British law it is permissible to directly enforce foreign forfeiture judgments in drug cases. The United Kingdom did so this past year for the first time when it seized more than \$1 million deposited into two London banks by Jose Rodriguez Gacha, a former Medellin Drug Cartel leader, who was killed in a shootout with Colombian police several years ago.

Total Equitable Sharing

\$Millions



Source: Executive Office for Asset Forfeiture

Reflecting the increased level of international assistance obtained in connection with our domestic forfeiture cases, the United States shared substantial amounts of forfeited proceeds with cooperating foreign jurisdictions during 1992. During the year, the United States transferred more than \$12 million in forfeited assets to foreign governments. An additional \$13 million was authorized for transfer by the Attorney General and the Secretary of State, subject to further action such as completion of a sharing agreement between the United States and the recipient country as required by statute.

Technological Improvements

New technological improvements have been implemented to increase the efficiency and effectiveness of

the Department's law enforcement efforts. An important example is the development of DNA analysis, the most significant improvement in forensic science in recent history. Since the DNA technology was implemented in 1989, the FBI Laboratory has conducted more than 91,000 examinations in approximately 7,000 cases. Approximately 75 percent of the evidence received for DNA examination is suitable for analysis. Of these cases, all of which are crimes of violence, approximately 65 percent of the time the DNA matches a suspect, and the remaining 35 percent of the time a suspect is excluded. Working with 13 pilot forensic laboratories, the FBI Laboratory is testing the feasibility and operational requirements of the national DNA identification index system.

In 1992, the DNA Legal Assistance Unit was established to provide training and case assistance to

local, state, and Federal prosecutors in criminal prosecutions involving DNA evidence. The Department's first major DNA appellate decision, *United States v. Jakobetz*, ruled that judicial notice could be taken of the reliability of the FBI's DNA testing procedures.

Another development is the FBI Laboratory's use of computer face-aging capabilities on 30 state and local cases this year. New equipment installed in the Atlanta and Chicago Field Offices interfaces with the Laboratory's artists to produce a computer composite drawing for distribution on the street in three to four hours.

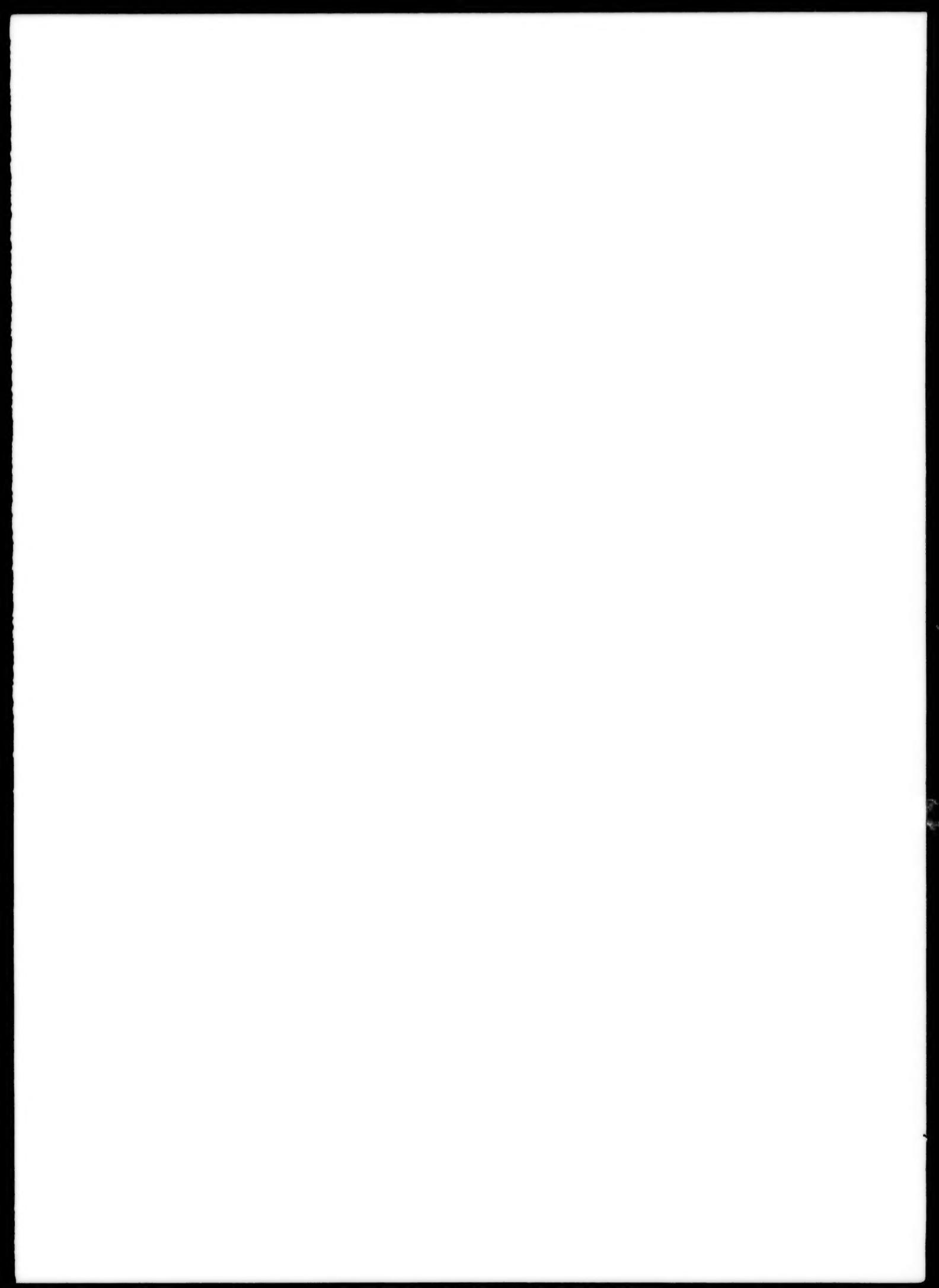
Technological advances have also been implemented to improve the efficiencies of management. In an effort to standardize a case tracking system used by the Department's litigating divisions, the Case Management Standards Subcommittee successfully completed a set of uniform Departmental case management standards and definitions, which all litigating organizations have agreed to use in the future. In addition, a centrally-issued case numbering system was agreed upon and approved by the Attorney General. This landmark development on case management is a major step towards achieving a consistent and accurate case management system for the Department. The next step in this process will be to use these case management standards and definitions to develop an automated system to provide reliable caseload information to senior Department officials and external oversight agencies.

Office automation continues to be an important tool for the Department's employees. In an effort to provide state-of-the-art technological capabilities, the Department initiated the Justice Consolidated Office Network (JCON) project. This project will result in the acquisition of a replacement for the AMICUS II and EAGLE office automation systems currently operating in the Department. Through Project JCON, DOJ plans to install a consolidated office automation system for 30,000 users.

Departmental Oversight

The Office of the Inspector General (OIG) is responsible for conducting investigations, audits, and inspections relating to the economy and efficiency of the Department's programs and operations, and for detecting and preventing fraud and abuse in programs and operations administered or financed by the Department. In the past year, OIG activities have helped to identify opportunities for substantial cost savings. For example, an audit of the Controlled Substances Act (CSA) Registration Fees in DEA found that DEA could have recovered more than \$100 million if fee structures had been reviewed and adjusted between 1984 and 1992.

The OIG also conducted investigations to detect fraud and abuse in Department programs. An OIG investigation of a major illegal manipulation of the INS Central Index System uncovered a computer fraud scheme involving thousands of illegal aliens. The investigation, code-named Operation Byte, identified members of a multi-ethnic organization who, through a corrupt INS employee, devised a scheme in which thousands of illegal aliens, some of whom paid as much as \$40,000 to illegally receive lawful permanent resident status, are in the United States with legitimate INS documents. This case was a first for the OIG in the computer fraud arena. The OIG's expertise in computer fraud used during Operation Byte prompted INS to ask the OIG Investigations Division to join two committees looking into correcting the security faults in the INS Central Index System. One of the committees is designing an audit trail for the System that will spot potential fraud and misuse. Changes to the System will make future OIG investigations of illegal activity in CIS more efficient and productive.



END

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